



HMRC TELEPHONE SERVICE STANDARDS

Comments submitted on 21 May 2014 about HMRC's telephone service standards and recommendations for improvements.

The purpose of this representation is to review the continuing concerns of ICAEW members about HMRC's telephone service standards, as reported to us on our website and in other forms of communication. It follows up a similar review and submission that we made in 2012.

We have also set out a number of recommendations. We believe implementation of the recommendations in this paper should help HMRC improve its overall performance targets.

This submission has been prepared on behalf of ICAEW by the Tax Faculty. Internationally recognised as a source of expertise, the Faculty is a leading authority on taxation. It is responsible for making submissions to tax authorities on behalf of ICAEW and does this with support from over 130 volunteers, many of whom are well-known names in the tax world. Appendix 1 sets out the ICAEW Tax Faculty's Ten Tenets for a Better Tax System, by which we benchmark proposals for changes to the tax system.

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MAJOR POINTS

Summary

1. We invited members to comment, through our website, on their experiences of telephoning HMRC on the links set out below.
 - [Phoning HMRC in 2013: Is a telephone line causing problems?](#)
 - [Phoning HMRC in 2014: are any telephone lines causing problems?](#)
 - [HMRC's new telephone service – intelligent or not?](#)
 - [Calls to and from HMRC - any problems with security questions?](#)
2. In this submission we set out what HMRC has achieved and what we consider HMRC still needs to do since our July 2012 submission [HMRC Telephone Service Standards \(TAXrep 26/12 – the 2012 submission\)](#). We set out below under each 2012 submission recommendations, the action HMRC has taken since that date and what we consider still needs to be addressed with our further recommendations.
3. We have identified concerns and recommendations not previously referred to in our 2012 submission regarding Intelligent Telephony Automation (ITA) which was introduced in November 2013. We believe there is scope to enhance the efficiency and functionality of this system.
4. We welcome the announcement in 2012 that HMRC has invested an extra £34 million towards improving telephone service standards and has redeployed an extra 1000 staff to contact centres. We acknowledge that HMRC receives over 60 million calls a year to its helplines, so managing this volume of calls is not easy particularly given that the volumes vary during the year.
5. In their 2014 to 2016 Business Plan, HMRC set an aspirational target to handle 90% of calls across all helplines, achieving a consistent level of 80% in 2014/15. The last quarterly statistics show that HMRC still has some way to go to reach 80% - performance stood at 66.6% in December 2013. We support HMRC's efforts to achieve 80% in the short-term but believe that the bar needs to be higher than this - HMRC should aim to reach the higher 90% aspirational target which we believe is more in line with call centre service standards.
6. We welcome HMRC's launch of the new Agent Dedicated Line (ADL) introduced on 28 April 2014 for the sole use of agents with queries about Debt Management and Banking. We hope this latest ADL will build on the success of those already in operation for SA and for PAYE (taxpayers).
7. We hope that this note helps to highlight the major issues affecting our members who want to effectively engage in business by telephone with HMRC without unreasonable delays, inefficiencies or unnecessary, additional costs.
8. ICAEW will continue to work with HMRC to help bring about the necessary improvements that we believe in the longer term will improve compliance and improve HMRC's satisfaction ratings – which currently appear to show no improvement.
9. We should be happy to discuss our observations, comments and recommendations further with HMRC.

2014 recommendations

Intelligent Telephony Automation (ITA)

10. HMRC should conduct a post implementation review of ITA to assess its effectiveness, identify its weaknesses and consider areas for improvement that can be introduced at the earliest possible opportunity.
11. As part of this work HMRC should, as a minimum, take the following action:
 - (a) review the key words currently programmed for recognition
 - (b) review the questions asked by ITA
 - (c) analyse the reasons why callers hang up before speaking to an adviser

To help improve its telephone service, HMRC should consider introducing an option for callers (particularly agents) to divert away from ITA and instead, speak directly to an adviser.

Call Waiting Times

12. ICAEW believes call waiting times have improved but have not yet reached acceptable levels. We recommend that HMRC increases further the number of front-line staff deployed to answering telephone calls at peak times of the year when there is an increased demand so that calls can be answered more efficiently.
13. We welcome Lin Homer's aspirations (paragraph 4.2 of [HMRC's Business Plan 2014-to-2016](#)) that in the tax year 2014 to 2015, HMRC plans to work towards their handling 90% of calls across all helplines achieving a consistent level of at least 80% in 2014/15. ICAEW is reassured that HMRC has listened to our previous concerns in this regard. However, there is still work to do as an 80% level is too low – we believe it should be at least 90% and ideally 95%. HMRC needs to aim and plan to achieve 90% call handling target within a reasonable time.
14. We recognise business reasons to signpost callers to Gov.UK online guidance. However, ICAEW recommends the introduction of a menu to allow callers to choose to divert away from pre-recorded messages signposting Gov.UK website to help reduce the overall call duration and call costs.

Introductory telephone messages/menu options

15. ICAEW recommends a periodic review of HMRC's helpline numbers to ensure the lowest possible call charges are levied on users.

Agent Only Lines

16. We recommend HMRC builds on the success of those ADLs already in operation for PAYE taxpayers, SA and DMB by considering extending their priority Agent Dedicated Lines to include all avenues of tax such as PAYE for Employers, Corporation Tax, VAT, etc.

Performance measurement

17. ICAEW recommends that HMRC continues to work with professional bodies to agree and publish a set of performance standards for telephone

Getting things right first time

18. The introduction of a staff member taking ownership of a case for those who need extra help is a welcomed development and we recommend that this should be used as a model for dealing generally with more complex tax queries going forward to help HMRC get it right first time.

Better use of IT

19. ICAEW acknowledges the progress being made with digital developments such as Identity Assurance (IDA) and its relationship with Agent online self-serve (AOSS). We recommend that with the development of digital exemplars that at all stages agents should have access to the same information as their clients at all times in the transition to online for taxpayers.

Security questions

20. HMRC's published guidance on telephone security questions dates back to a Working Together Bulletin ([WT33](#)) published in November 2008. ICAEW recommends a review of this guidance to simplify the process and help agents overcome security delays when calls are made to and received from HMRC. We suggest early publication of revised guidance.

GENERAL POINTS

Intelligent Telephony Automation (ITA)

Background

21. Before the introduction of Intelligent Telephony Automation (ITA) in November 2013, most of HMRC's call centre lines were equipped with an Interactive Voice Response (IVR) menu which asked callers to press a number on their keypad to select an option from the range given.
22. To handle calls more efficiently, HMRC made a business decision to replace some of the touchtone IVRs with ITA, a new speech recognition technology. ITA was implemented on the following lines of business: PAYE, Self Assessment, VAT, Tax Credits, Child Benefit, Payment Enquiry Line, Employer Helpline, and National Insurance. We welcome the fact that ITA has not been implemented on HMRC's Agent dedicated lines.
23. The ITA system consists of two elements. First, an open menu which provides a speech enabled call routing 'How can I help you' approach. ITA intends that callers will be asked at least two questions before they are put through to either an adviser or to a message that answers their question.
24. The second element of ITA is Identity & Verification (ID&V) which provides speech automated security using known facts about the caller to verify their identity when they have a specific query about their account.

Member feedback

25. Feedback from our members' first hand user experience of ITA since its implementation has been highly critical [HMRC's new telephone service – intelligent or not?](#) Our news item has attracted over 3,000 views and while comments posted are quite general, they are indicative of a high level of frustration suggesting that the efficiency and effectiveness of ITA should be reviewed.
26. The fundamental and most frustrating flaw our member's experienced with ITA is that it does not always recognise key words. Feedback refers to ITA failing to recognise words such as "Intrastat" and "Trusts". We accept these are not widespread terms commonly used

and are more specific to agents during calls not appropriate to the Agent Dedicated Lines but none the less, the system failed to recognise them.

27. Our members expressed frustration that when ITA failed to recognise key words to connect them to an adviser, they hung up, redialled and tried again using different key words. This increases the user's overall call time, costs and dissatisfaction.
28. On 27 March 2014 ICAEW sent a referral template under the Working Together agreement to HMRC to report the problems being experienced with ITA. We suggested some recommendations for improvement. HMRC has categorised our referral as an open issue. We await a further update.
29. Member feedback indicates a user preference for a push button menu rather than a voice activated response system. Feedback further suggests it would be helpful if callers had a choice between using either ITA or a push button menu.

2014 recommendations

30. HMRC should conduct a post implementation review of ITA to assess its effectiveness, identify its weaknesses and consider areas for improvement that can be introduced at the earliest possible opportunity.
31. As part of this work HMRC should, as a minimum, take the following action:
 - (a) review the key words currently programmed for recognition
 - (b) review the questions asked by ITA
 - (c) analyse the reasons why callers hang up before speaking to an adviser
32. To help improve its telephone service, HMRC should consider introducing an option for callers (particularly agents) to divert away from ITA and instead, speak directly to an adviser.

Call waiting times

2012 Recommendations

33. In 2012 we said that HMRC should increase the number of front-line staff deployed to answering calls so that they could be answered within a reasonable time. We acknowledged the financial constraints facing HMRC. We said that pending the development of other forms of communication such as email, further investment in telephone services should increase HMRC's efficiency and help to drive improvements in compliance. This may result in slightly higher short term costs but should in time lead to a reduction in overall costs as the need for expensive post handling will be reduced.
34. We said HMRC should benchmark its existing service and a clear plan should be developed for improvements with the aim of at least 90% of calls being answered within a reasonable period.

HMRC action on 2012 recommendations

35. We welcomed the announcement in 2012 that HMRC invested an extra £34 million towards improvements in telephone standards and redeployed an extra 1000 staff to contact centres.
36. HMRC listened to our proposals and set a new standard of answering 80% of calls within 5 minutes. However, statistics for the last 3 months of 2013 show that HMRC still has some

way to go to reach the 80% target – it stood at 66.6% in December 2013.

37. HMRC's [Business Plan indicators quarterly performance update: Quarter 3: 2013 to 2014](#) results to 31 December 2013 reveal that 5% of overall contact centre calls were answered between 10 – 20 minutes, 8% between 5 – 10 minutes and 10% between 2 – 5 minutes.

Member reports

38. Reports from our members' indicate there are still unacceptable waiting times ranging from 5 minutes up to 20 minutes from the time of dialling the number to the time of being connected to an adviser [Phoning HMRC in 2014: are any telephone lines causing problems?](#) and [Phoning HMRC in 2013: Is a telephone line causing problems?](#)
39. ICAEW members' report that introductory pre-recorded telephone messages signposting them to HMRC's Gov.UK website are unwelcome, unhelpful and unnecessarily prolong the duration of the call while increasing costs.

2014 recommendations

40. ICAEW believes call waiting times have improved but have not yet reached acceptable levels. We recommend that HMRC increases further the number of front-line staff deployed to answering telephone calls at peak times of the year when there is an increased demand so that calls can be answered without unreasonable delay.
41. We welcome Lin Homer's aspirations (paragraph 4.2 of [HMRC's Business Plan 2014-to-2016](#)) that in the tax year 2014 to 2015, HMRC plans to work towards their handling 90% of calls across all helplines achieving a consistent level of at least 80% in 2014/15. ICAEW is reassured that HMRC has listened to our previous concerns in this regard. However, there is still work to do and we believe that HMRC should aim higher: HMRC need to aim to achieve a 90% call handling target.
42. We recognise business reasons to signpost callers to Gov.UK online guidance. However, ICAEW recommends the introduction of a menu to allow callers to choose to divert away from pre-recorded messages signposting Gov.UK website to help reduce the overall call duration and call costs.

Introductory telephone messages/menu options

2012 recommendations

43. We suggested that call routing should be simplified and shortened and an option to skip many of these messages and go straight through to an adviser should be made available. We hoped that IVR may, if employed, would assist in achieving this.
44. We note that HMRC had started to move away from the use of 0845 numbers on some lines. We said we would like to see this extended to cover all lines with more use of numbers beginning with 03.

HMRC action on 2012 recommendations

45. HMRC's actions on our July 2012 recommendations have already been captured earlier in this submission under the heading Intelligent Telephony Automation (ITA).
46. ICAEW acknowledges that HMRC listened to what we had to say about 0845 numbers and for its introduction of less expensive 0300 numbers on contact centre helplines. In effect 0300 numbers give callers cheaper access to HMRC helplines. These numbers are captured on ICAEW's [TAXTools1 - HMRC contact information](#).

2014 recommendations

47. ICAEW recommends a periodic review of HMRC's helpline numbers to ensure the lowest possible call charges are levied on users.

Agent only lines

2012 recommendations

48. Our recommendation was that HMRC should consider extending the ADL service to include Corporation Tax, Payroll, Online SA services and Debt calls. We noted the limitations of the service which back then, extended only to PAYE and SA and a Tax credits priority line.

HMRC action on 2012 recommendations

49. We welcome the good service on Agent Dedicated Lines (ADL) reported in HMRC's [Business Plan indicators quarterly performance update: Quarter 3: 2013 to 2014](#) results to 31 December 2013 which reveal that 99% of calls received on their SA and PAYE Agent Dedicated Line were answered in less than 2 minutes.
50. We also welcome HMRC's decision to launch their new ADL on 28 April 2014 for the sole use of agents with queries about Debt Management and Banking. A hotline for agents has also been set up to use when a collector is at a client's premises.

Member comments

51. We said when agents are dealing with tax debts it was particularly important to be able to contact HMRC quickly. We said we would like the ADL service extended to DMB.

2014 recommendations

52. We recommend HMRC builds on the success of those ADLs already in operation for PAYE, SA and DMB by considering extending their priority Agent Dedicated Lines to include all avenues of tax such as PAYE for Employers, Corporation Tax, VAT, etc. We regard PAYE for Employers as a priority, to enable agents to resolve unmatched liabilities under RTI as swiftly as possible.

Performance measurement

2012 recommendations

53. As part of the Action on HMRC service issues initiative we are working with HMRC to identify a set of suitable performance measures and this includes Contact Centre performance. We welcome this commitment from HMRC and urge HMRC to continue work with the professional bodies to agree a set of standards which must then be published on a regular basis.

HMRC action on 2012 recommendations

54. ICAEW acknowledges and welcomes the quarterly publication of HMRCs results and business performance statistics [HMRCs telephone, post and online performance statistics](#) demonstrating once again the value in engaging with professional bodies on such matters.
55. In our previous submission we welcomed the news in July 2012 that HMRC was to commission a customer satisfaction survey of its telephone services. In September 2013

HMRC research published report number 271, [HMRC Contact Centres Survey Report 2012-2013](#).

56. HMRC's research report confirms our member feedback. The most common suggestions respondents gave for improvements needed were (i) Improve the time taken to get through to an advisor (32%) (ii) Have better trained, more knowledgeable staff (14%) (iii) Remove the automated messages at the start of calls (10%).

2014 recommendations

57. ICAEW recommends that HMRC continues to work with professional bodies to agree and publish a set of performance standards for telephone.

Getting things right first time

2012 recommendations

58. In our July 2012 submission we quoted one of HMRC's Charter principles to 'Do our best to get things right first time'. We were concerned that on the evidence of our members this was not happening, resulting in considerable wasted time and costs for HMRC. We said that if HMRC was to get it right first time it would significantly reduce the number of unnecessary telephone calls to HMRC.
59. We said in July 2012 that dealing with all aspects of a taxpayer's affairs at the same time would increase efficiency and address many of the problems. We therefore called upon HMRC to undertake a thorough review of its processes for handling taxpayers' affairs more efficiently and effectively while providing the best value for money.

HMRC action on 2012 recommendations

60. While not directly linked to the subject of HMRC telephone service standards, we welcome the introduction of the structured emails currently being introduced throughout HMRC. This will help the accuracy of information provided to HMRC and should ultimately help reduce the volume of low value telephone calls.
61. We understand that with the closure of enquiry offices, HMRC is developing its telephone service for those who need extra help with their tax which will include ensuring that the same staff member is responsible for resolving the taxpayer issue through to the end.

2014 recommendations

62. The introduction of a staff member taking ownership of a case for those who need extra help is a welcomed development and we recommend that this should be used as a model for dealing generally with more complex tax queries going forward to help HMRC get it right first time.

Better use of IT

2012 recommendations

63. Whilst not directly linked to HMRC's telephone service standards, in our July 2012 submission we commented on the increased demand for email as a standard method of communication.
64. We said HMRC should review the opportunities for more electronic services to be made available to taxpayers and agents as a matter of urgency. We would be happy to assist with this work and help assess the potential operational efficiencies that would result.

65. We welcomed HMRC's email pilot for agents and we were encouraged by early positive feedback from the pilot but more generally, ICAEW stated its belief that allowing taxpayers and agents to communicate with HMRC by email would result in considerable cost savings over the longer term. There would be less physical movement of work between offices, consequently fewer delays and potentially less contact required by telephone to chase progress.

HMRC action on 2012 recommendations

66. Since our previous submission in July 2012, progress has been achieved with HMRC's email pilot and also with the introduction of other services to allow taxpayers, and more recently agents, to use of structured on line forms e.g. to notify HMRC that a 2014/15 tax code is wrong.
67. We also welcome the development of the digital exemplars; Your tax account – for small business, Digital SA, PAYE for employers and Agent Online Self Serve (AOSS).

2014 recommendations

68. ICAEW acknowledges the progress being made with digital developments such as Identity Assurance (IDA) and its relationship with Agent online self-serve (AOSS). We recommend that with the development of digital exemplars that at all stages agents should have access to the same information as their clients at all times in the transition to online for taxpayers.

Security questions when calling HMRC

Member Reports

69. Some members raised concerns about the authenticity of calls they receive, purportedly from HMRC. Our forum post [Calls to and from HMRC - any problems with security questions?](#) set out the agreed security questions that might be asked by any HMRC official calling an agent.

2014 recommendations

70. HMRC's published guidance on telephone security questions dates back to a Working Together Bulletin ([WT33](#)) published in November 2008. ICAEW recommends a review of this guidance to simplify the process and help agents overcome security delays when calls are made to and received from HMRC. We suggest early publication of revised guidance.

APPENDIX 1

ICAEW TAX FACULTY'S TEN TENETS FOR A BETTER TAX SYSTEM

The tax system should be:

1. **Statutory:** tax legislation should be enacted by statute and subject to proper democratic scrutiny by Parliament.
2. **Certain:** in virtually all circumstances the application of the tax rules should be certain. It should not normally be necessary for anyone to resort to the courts in order to resolve how the rules operate in relation to his or her tax affairs.
3. **Simple:** the tax rules should aim to be simple, understandable and clear in their objectives.
4. **Easy to collect and to calculate:** a person's tax liability should be easy to calculate and straightforward and cheap to collect.
5. **Properly targeted:** when anti-avoidance legislation is passed, due regard should be had to maintaining the simplicity and certainty of the tax system by targeting it to close specific loopholes.
6. **Constant:** Changes to the underlying rules should be kept to a minimum. There should be a justifiable economic and/or social basis for any change to the tax rules and this justification should be made public and the underlying policy made clear.
7. **Subject to proper consultation:** other than in exceptional circumstances, the Government should allow adequate time for both the drafting of tax legislation and full consultation on it.
8. **Regularly reviewed:** the tax rules should be subject to a regular public review to determine their continuing relevance and whether their original justification has been realised. If a tax rule is no longer relevant, then it should be repealed.
9. **Fair and reasonable:** the revenue authorities have a duty to exercise their powers reasonably. There should be a right of appeal to an independent tribunal against all their decisions.
10. **Competitive:** tax rules and rates should be framed so as to encourage investment, capital and trade in and with the UK.

These are explained in more detail in our discussion document published in October 1999 as TAXGUIDE 4/99 (see [TAXGUIDE 4/99 - Towards a better tax system](#))