

Institute of Financial Accountants Findings and feedback on HMRC's performance against its Charter

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1. Introduction

The IFA welcomes the opportunity to provide feedback from its members on HMRC's performance against its Charter.

Established in 1916, the Institute of Financial Accountants (IFA) is an internationally recognised professional accountancy membership body. Our members work within micro and small to medium sized enterprises or in micro and small to medium sized accounting practices advising micro and SME clients.

We are part of the Institute of Public Accountants (IPA) of Australia Group, the world's largest SME-focused accountancy group, with over 40,000 members and students in over 80 countries. The IFA is a full member of the International Federation of Accountants (IFAC) the global accounting standard-setter and regulator. We are also recognised by HM Treasury and the Financial Services Authority in the Isle of Man to regulate our members for the purposes of compliance with the Money Laundering Regulations.

2. Purpose

This report sets out the findings and feedback from the IFA and its members on HMRC's performance against the values and standards of behaviour included in its Charter and our contribution to HMRC's Charter Annual Report 2020-21 as a member of HMRC's Charter Stakeholder Group.

As requested by HMRC, our feedback reflects HMRC's performance against these standards over the time period of April 2020 to March 2021 and highlights for HMRC to focus on in 2021-22.

Our findings are based on the [revised HMRC Charter](#) issued in November 2020. Given limited timescales for contributing to HMRC's Charter Annual Report 2020-21, IFA's approach to collecting feedback included a short survey to IFA members with a two week turn-around time for responses. In addition, some members chose to provide additional feedback on specific areas of concern which demonstrates issues specific to tax agents.

3. Executive summary

This report makes the following recommendations, based on survey findings and feedback. For brevity, the recommendations can be grouped under the following themes:

- Enhanced awareness and communication to tax agents and customers on the HMRC Charter;
- Increased HMRC focus on "Getting things right" standards of the HMRC Charter;
- Improvements in response times for telephone service and postal service;
- Dedicated emails and phone numbers for HMRC staff dealing with issues or complaints, including using secure emails to discuss client specific issues between HMRC and tax agents;
- Improvements in competency and training of staff;
- Improved effectiveness of the HMRC complaints process, including dedicated staff to deal with the complaint, agreed response times and deadlines;
- Improved telephone and postal services for those customers who need additional help from HMRC.

4. Survey findings and feedback

The questionnaire was aimed at IFA members who are HMRC customers and/or tax agents. 207 IFA members responded to the survey, with 46% responding in the capacity as tax agents and customers, 43% as tax agents and 11% as customers (taxpayers).

In addition to the survey some members provided specific examples to support their views of the HMRC Charter. This feedback is incorporated in the sections below.

Awareness of HMRC Charter

87% of respondents stated that they were aware that HMRC had a Charter which defines the service and standard of behaviour that customers should expect from HMRC when interacting with them. However, 48% were not aware that HMRC had updated its Charter in November 2020.

Perceptions of HMRC's communications on the existence of the HMRC Charter

The IFA was interested in getting insights into perceptions of IFA members of the HMRC Charter. 42.16% stated it was poor, 28.43% satisfactory, 22.06% good and 7.35% very good.

Suggestions for improving HMRC's communication of its Charter

Respondents were asked for suggestions for improving HMRC's communication of its Charter. There were significant similarities between respondents on how this could be done which included:

- Making the HMRC Charter more obvious on gov.uk website pages, for example, available in HMRC's home page.
- Sending copies of the HRMC Charter or a HMRC Charter flyer to customers (individuals and organisations) and tax agents via emails;
- Referring to the HMRC Charter in all HMRC communications to customers and tax agents, including letters and emails;
- Increased publicity of the HMRC Charter on gov.uk, email campaigns, community forums, newsletters, webchat, blogs and portals such customer's personal tax accounts, the Agent Services Dashboard and Agent Services Account;
- General publicity via press, social media, trade magazines and television coverage so that the public is more aware of the existence of the HMRC Charter.

In addition, feedback suggested that communication on the existence of the HMRC Charter should be ongoing – not a one-off exercise. Furthermore, when changes to the HRMC Charter are made, customers and taxpayers should be made aware of these changes via HMRC's usual communication channels.

HMRC should also consider in its communications the importance of re-iterating the existence of the Charter to customers and tax agents at the point of need. For example, providing a copy or signposting to the HMRC Charter when the customers or tax agents are experiencing tax problems or dealing with contentious issues, so that they are aware of the standards of behavior that they should be receiving.

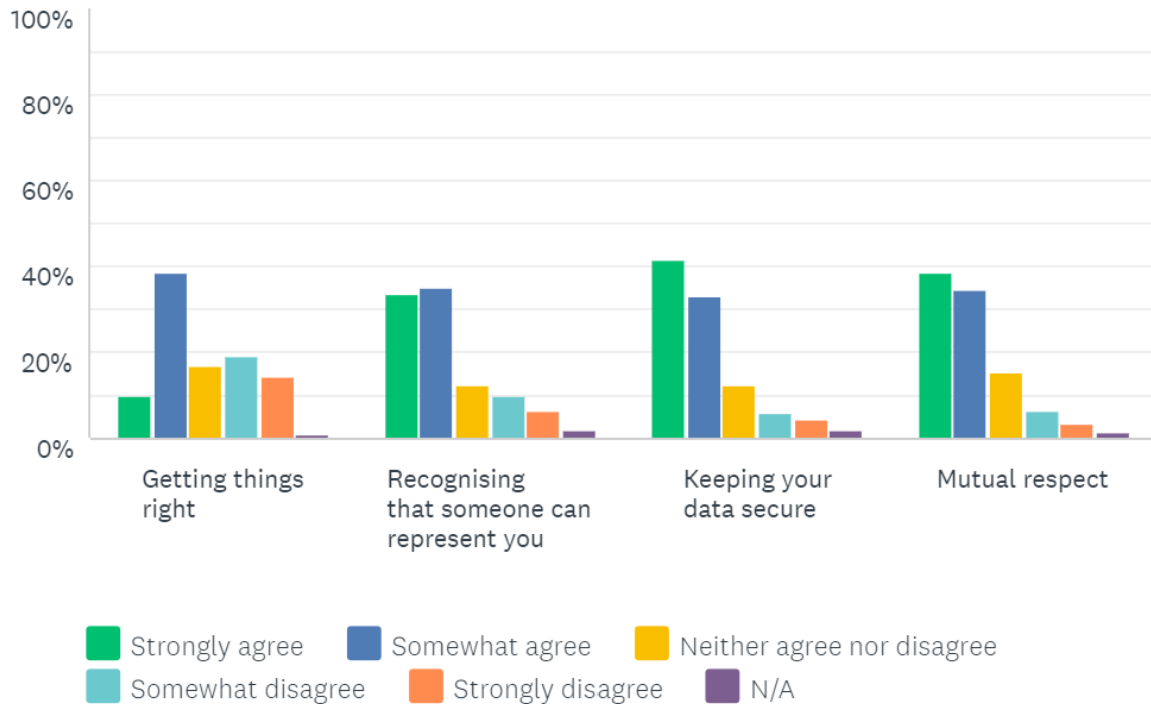
Performance against standards

Respondents were asked to provide an opinion based on the extent to which they agreed or disagreed that HMRC was performing against the standards included in its Charter. 181 individuals provided responses to this question.

Unfortunately, due to a system error, responses were not obtained for all areas covered by the HMRC Charter. Therefore, no feedback via the survey was obtained on the Charter commitments of Making things easy, Being responsive and Being aware of your personal situation. However, evidence included throughout the report provides insights into these areas.

The responses that were obtained are summarised in the graph and table below.

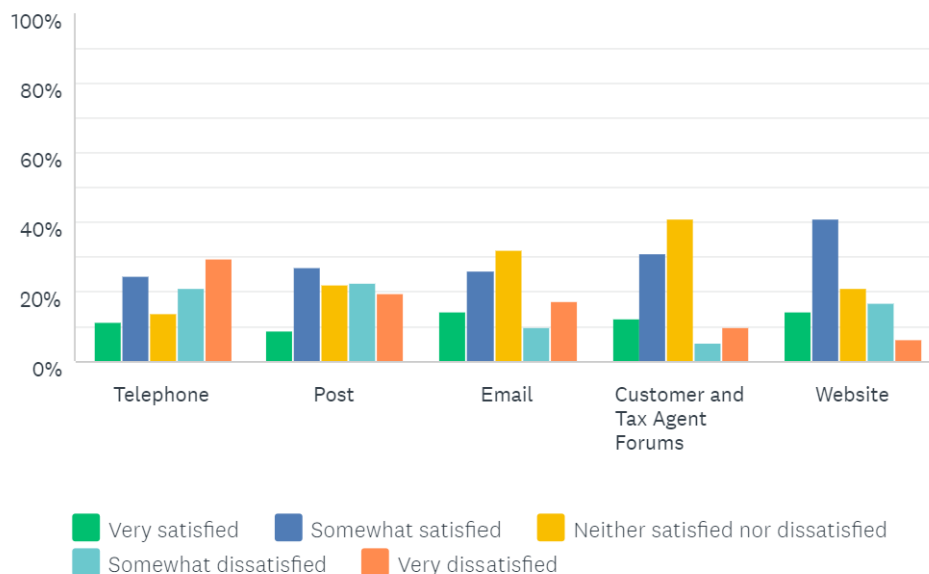
HMRC Standards in the Charter	Strongly agree (%)	Somewhat agree (%)	Neither agree nor disagree (%)	Somewhat disagree (%)	Strongly disagree (%)	N/A (%)
Getting things right We'll give you accurate, consistent and clear information. This will help you meet your obligations, and understand your rights and what you can claim. When we ask for information, we rely on you to give us full, accurate and timely answers. If you disagree with us, we'll tell you about options available to you and work with you to reach an appropriate outcome quickly and simply.	9.94	38.67	17.13	18.78	14.36	1.10
Recognising that someone can represent you We'll respect your wish to have someone else deal with us on your behalf, such as an accountant, friend or a relative. We'll only deal with them if you have authorised them to represent you. To protect you, HMRC works with professional bodies to set the standard expected of professional agents who support you to meet your tax obligations. We can refuse to work with professional agents who fail to adhere to this standard.	33.70	34.81	12.71	9.94	6.63	2.21
Keeping your data secure We'll protect information we hold about you and treat it as private and confidential. We'll always use that information fairly and lawfully.	47.44	33.15	12.71	6.08	4.42	2.21
Mutual respect We take any threats, intimidation or harassment very seriously and will take appropriate action against any behaviour of this type. We'll always treat you in line with our values of respect, professionalism and integrity. Our employees are people too and we expect you to treat them in the same way.	38.67	34.25	15.47	6.63	3.31	1.66



Based on the survey findings, an area for improvement is Getting things right. The examples included in the Appendix gives examples of areas where improving the information that tax agents have on their clients and advance notice of changes to HMRC forms/software would have helped to get things right.

How satisfied were you with HMRC Services

Respondents were asked for their views on HMRC different services and communication channels. It is clear from the responses below, that members had concerns regarding HMRC telephone and postal services. 50.27% of respondents were dissatisfied with HMRC’s telephone service and 41.99 % of respondents were dissatisfied with HMRC’s postal service. Comparable data for other services were 27.62% (email), 15.46% (online forums) and 23.76% (website).



HMRC Services	Strongly agree (%)	Somewhat agree (%)	Neither agree nor disagree (%)	Somewhat disagree (%)	Strongly disagree (%)
Telephone	11.60	24.31	13.81	20.99	29.28
Post	8.84	27.07	22.10	22.65	19.34
Email	14.36	25.97	32.04	9.94	17.68
Customer and Tax Agent portals	12.71	30.94	40.88	5.52	9.94
Website	14.36	40.88	20.99	17.13	6.63

The suggestions offered to improve these areas were:

- Increased knowledge and training of staff who are answering the phones;
- Reduction on waiting times for HMRC's telephone service;
- Ability to send paper documents by email not just by post, for example, sending signed 64-8 tax agent authorisation forms electronically to HMRC instead of the post if circumstances arise that an electronic authorisation of the tax agent by the customer is not possible.
- Improved timeliness of sending letters out in the post. It takes HMRC a number of days to put letters in the post, reducing the time available that an individual has to respond back to HMRC since response deadlines are based on the date included on HMRC letters not the date that the letter was sent in the post by HMRC. One responded claimed that it took HMRC 10 days to send a letter in the post.

Complaints

The survey asked respondents if they had raised a complaint with HMRC in the last year. Out of the 181 respondents, 24% had raised a complaint with HMRC in the last 12 months and 76% had not.

Of those that had raised a complaint with HMRC, respondents were asked how satisfied there were in the resolution of the complaint with HMRC. 24 % were satisfied, 22% were neither satisfied nor dissatisfied, 24% were somewhat dissatisfied and 29% were very dissatisfied. Therefore, the majority (53%) of IFA members who had raised a complaint with HMRC were dissatisfied with the resolution of the complaint.

When asked about feedback, comments included:

- Lack of acknowledgement of the complaint by HMRC to the individual making the complaint. The respondent stated that it took nearly two months for HMRC to acknowledge the complaint.

- The speed of response from HMRC to complaints needs to be better. Customers and tax agents have normally 28 days to respond to an HMRC letter but HMRC's responses to the customer or tax agent can take between 6 weeks and 6 months.
- Complaint process was ineffective and inefficient and included long delays. Sometimes the delays were caused by HMRC using post instead of emails (see previous comments).
- HMRC paid 'lip service' to the complaints process and procedure and that the values and standards included in the HRMC Charter are not embedded in the complaints process.

Suggestions for improving HMRC's complaints resolution process

The IFA was interested in gaining an insight into suggestions for improving HMRC's complaints resolution process. There were a number of suggestions, primarily from tax agents as opposed to customers, which perhaps reflects that fact that tax agents are more likely to have experience and get involved in the complaints resolution process on behalf of customers. The key concerns that were highlighted centered on lack of personalization and approachability, overly-complicated process and significant delays in response by HRMC to complaints raised.

The suggestions offered were:

- Dedicated point of contact for dealing with a complaint from start to finish would personalize the process, improve performance and simplify the process. This should include dedicated phone numbers and dedicated emails for individuals dealing with the complaints;
- Clear deadlines for dealing with complaints and increased accountability and transparency of performance measurement of service standards in this areas;
- Reinstatement of local offices to deal with HMRC staff specializing in this area rather than individuals with less experience, expertise and authority.
- More qualified and better trained staff for dealing with complaints;
- Embedding the values and standards of its Charter in the complaints process, particularly making things easy, treating everyone fairly and being responsive. Some respondents felt that HMRC did not listen to what was being said, did not acknowledge or respond to complaints, did not act on what they were being told and sometimes refused to accept that HMRC could possibly make a mistake/error.

Some specific examples that support some of the concerns being raised are:

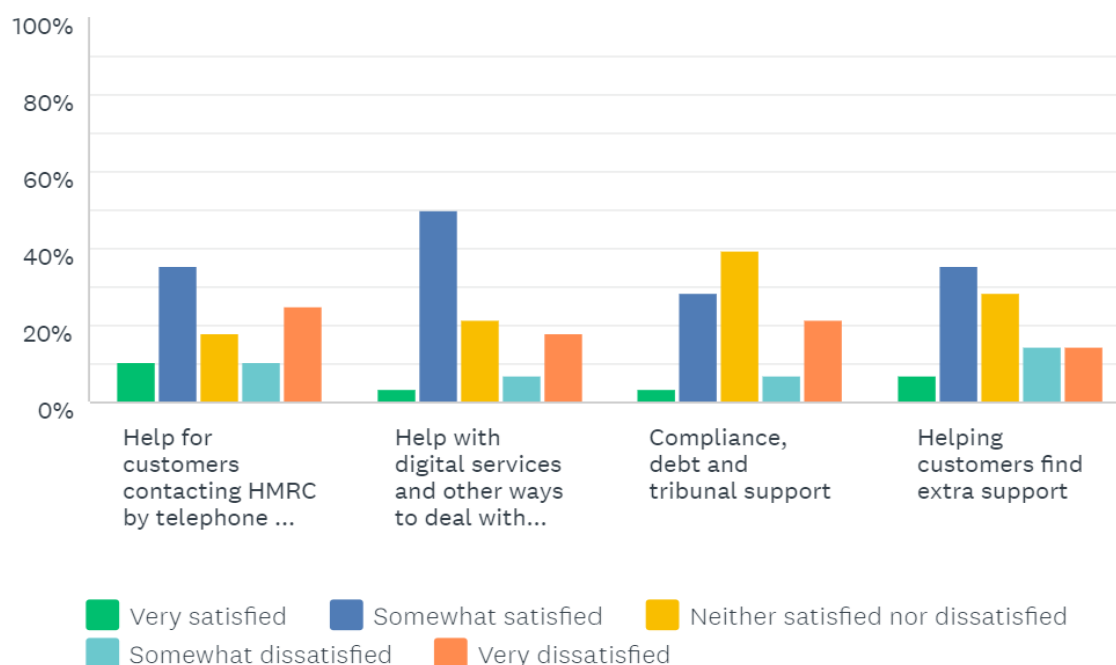
- Respondent complained to HMRC that a tax refund had been chased 4 times in 8 months and they were still told that it would take another 4-6 weeks to action the tax refund and that the complaint would also take 4-6 weeks to be actioned.

Helping customers who need additional help

Asked whether respondents were aware of the HMRC support that was available to help customers who need additional help, 71% of the 180 respondents stated that they were aware of the support available.

While awareness was high, only 15% of the 180 respondents had actually used HMRC's support for helping customers who need additional help. The respondents that had used

HMRC's support for helping customers were asked for their views on the services offered (see table below). Out of the 28 respondents who used HMRC's support in this area, the majority (53.57%) of respondents were satisfied with HMRC's help with digital services and other ways to deal with HMRC. However, 35.71% of respondents were dissatisfied with help for customers contacting HMRC by telephone or post, which echoes the feedback by respondents in other areas included in this report.



Principle	Very satisfied (%)	Somewhat satisfied (%)	Neither satisfied nor dissatisfied (%)	Somewhat dissatisfied (%)	Very dissatisfied (%)
Help for customers contacting HMRC by telephone or post	10.71	35.71	17.86	10.71	25
Help with digital services and other ways to deal with HMRC	3.57	50	21.43	7.14	17.86
Compliance, debt and tribunal support	3.57	28.57	39.29	7.14	21.43
Helping customers find extra support	7.14	35.71	28.57	14.29	14.29

Improvement of performance against HMRC Charter

When asked any areas that HMRC should prioritise for improving its performance against HMRC standards, nearly 100 suggestions were offered. These suggestions have been summarised into the following general comments:

- Improvements in staff training, knowledge and competency to provide accurate, consistent and helpful information;
- Being open minded, patient and not assuming that all customers have detailed knowledge of the tax system;
- Increased accountability and transparency of deadlines, performance and service standards;
- Improved response times for telephone calls, postal communications and increased use of emails;
- Increased use of emails by HMRC, dedicated HMRC contacts and less reliance on postal communications which is slow and risks being lost;
- Respond quicker, especially on investigations. HMRC push for speed in replies but do not observe this themselves;
- Better communication with Agents and to understand Agents are trying to help get things correct;
- Improvements of tax agent to access client tax affairs information, authorisation of tax agents and digital performance of the agents gateway:
- More resources to answer queries by telephone and webchats in order to resolve queries more effectively and efficiently;
- Increased use of emails, including for agents to send client specific emails to HMRC
- Dedicated contacts and less reliance on postal communications which is slow and risks being lost;
- Improvements for tax agents to access client tax affairs information and improvements in client authorisation of tax agents;
- Consistency and clarity of messaging between HMRC communications;
- Reduction in HMRC errors which are time consuming to resolve for both customers and tax agents;

Some specific examples that illustrate these points are:

- *Training and competence:* “HMRC staff should be more knowledgeable and better prepared to answer questions. Often they don't seem to know how to help and if you call more than once for the same problem you get a different answer which causes lack of confidence in the information you are given.”
- *Response time for telephone communications:* “Answer the phone on agent dedicated lines. A 2 minute phone call can often save a lot of work on both sides and resolve problems immediately. Because calls are not being accepted we are having to write letters for the smallest of issues.” and “Waiting time on phone lines is awful. I once waited for 45 minutes to connect but then got cut off and had to try again because there was no call back.” And “Employ more experienced people to deal with telephone calls, waiting times up to 2 hours are not acceptable.”
- *Response time to postal communications:* “They must improve their response time to postal communications. Also I have had experience of substantial supporting documentation in an enquiry case clearly being received by the HMRC (by signed for delivery) but subsequently being lost within the HMRC before the caseworker has

been able to access it. The onus is always on the taxpayer or tax agent to deliver by deadlines without any matching enforceable obligation on the part of the HMRC to respond subject to the same financial penalties.” It was also suggested that HMRC should respond to the post within 30 days.

- *Dedicated emails, telephone numbers and HMRC contacts:* “Need to gain access to HMRC staff promptly when dealing with reviews. It would be helpful to speak to a caseworker. Staff need to give their full name and contact details rather than just their first name. Generally speaking, staff are helpful but often difficult to locate a suitable person.”
- *Consistency of communication:* “Making tax accounts more readily understandable. Client have received statements that bear no resemblance to the online tax account on our agent gateway.”
- *Clarity of communication:* “Please make account statements (esp. SA and PAYE) easier to understand!”, “Make its online services more easily accessible and comprehensible to ordinary taxpayers” and “Better communication with Agents and to understand Agents are trying to help get things correct.
- *Improvements of tax agent access of client tax affairs information, authorisation of tax agents and digital performance of the agents gateway:* “More access for agents to 'self-serve' on client's affairs (e.g. tax code setting, viewing NIC records, etc)”, “full agent authorisation for ALL taxes/schemes”, “Improve the online digital performance of it's agents gateway allowing us to perform simple tasks like changing a clients address for VAT, setting up direct debits, changing bank details, the list goes on.”
- *Reduction in HRMC errors:* “PAYE online accounts error. Loads this year and takes forever to get corrected.” and “Real time resolving of payroll issues.”

5. Appendix: issues and suggested improvement for Getting Things Right

We assume that everyone knows there are two Agent portals into HMRC, the original Agent Interface and the new MTD interface. The former and original is called the Agent Services Dashboard, and the latter and newer is the Agent Services Account. Both sign in pages are identical, but cannot be interchanged.

Nature of Feedback	How does this challenge the way you work with taxpayers?	Specific Example, if not generic	Have you raised this formally with HMRC and if so how?	Suggested Remedy
<p>Example:- An agent cannot see the payments made on any client's VAT Account on either Agent Gateway, but the client can see this on their own Government Gateway Account</p>	<p>This makes it very difficult to work with HMRC to ensure that VAT is paid on time, and we cannot warn clients when VAT is overdue. Also we cannot negotiate payment plans with them, or if VAT repayments are being used to pay off other taxes such as PAYE we cannot see when this has been done</p>	<p>Not specific</p>	<p>Yes, with the VAT Helpline and told no plans to amend this.</p>	<p>Simply give agents the same access as their clients.</p>
<p>The Prior Year Update Form was withdrawn by HMRC 1 week before the end of tax year 2020/21.</p>	<p>An HMRC error occurred when processing payroll to new clients who had switched to me in November 2020. To fix HMRC advised doing PYU after 5th April 2021 but then withdrew it with one week notice</p>	<p>Specific but client details confidential</p>	<p>Raised with HMRC numerous occasions with HMRC Change Resolution Team since January 2021</p>	<p>Reinstate PYU form on HMRC Basic Tax software. Also fix flaw in HMRC system when client changes payroll software during tax year which throws out PAYE tax codes for employees</p>