HM Revenue & Customs

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Dear Harriett,

Thank you for your letter of 21 February about our approach to supporting Self-Assessment (SA) customers through the filing peak this year, where we asked our customers to self-serve online where they were able to do so. This was to allow us to prioritise calls relating to returns, payments and repayments, and calls from vulnerable or digitally excluded customers.

In my letter of 12 October 2023, I set out the results of our interim evaluation of our trial of a seasonal model for the SA helpline and confirmed that we'd be conducting a full evaluation in early 2024. Given the further changes to our customer support model during the SA peak we have prepared a single evaluation covering both trials. This evaluation was published today, at Evaluation of changes to how HMRC supports Self Assessment customers - GOV.UK (www.gov.uk), and I am writing to draw your attention to the publication, to share with you some of the key findings, and to answer the questions set out in your letter.

As I said at hearings with the Treasury Select Committee and Public Accounts Committee last year, we need a higher proportion of customers to self-serve online using our highly rated online services if we are to deliver our service standards for those customers who need to phone or write to us with the resources available to us. We will continue to enhance our online services and encourage customers to go online where they can, whilst ensuring effective alternative support for vulnerable customers, those who struggle to use online services and those with complex queries.

Drawing on our experiences of delivering these trials, and the findings of the evaluation, we have decided to make some further changes to our services to customers during 2024-25. I am also covering in this letter the changes that we plan to make. These will take effect from 8 April.

My response to the specific questions posed by the Committee are as follows:

1. Our aim was to prioritise calls from those who most needed telephone support in the run-up to the SA filing and payment deadline: those calling about returns, payments and repayments, and those who are vulnerable or digitally excluded. To do this, we directed callers with other queries to our online services.

   Overall, during this SA peak, we handled 1.1m interactions with customers (10% more than in the last peak). Interactions included phone calls and webchats with advisers, calls handled by Interactive Voice Response messages, and online sessions with our digital assistant.

   We are not able to say how the additional contacts handled aligns to the 120,000 additional callers we were aiming to support, because we cannot quantify how many calls we would have answered had we not put these measures in place. However, we do know that we were able to support more customers overall and our filing and payment rates have improved on last year. We were also able to answer an additional 60,000 calls on our Online Support Helpline (OSH) this peak through increasing adviser numbers on this line, allowing us to support more of our customers to access online services.

2. The average wait time on the SA helpline during the 2024 SA peak was 36 minutes, compared with 28 minutes in 2023. The average wait time across our SA, agent and online services webchat services was 12 minutes. An increased number of customers used online services to resolve their queries or contacted us via webchat, and so did not need to wait in the telephone queue.

3. We have monitored customer feedback primarily through our satisfaction surveys. For the SA helpline, customer satisfaction was lower during the 2024 SA peak than both before the peak and when compared to 2023. Satisfaction with our SA webchat and online services remained high, suggesting that redirecting customers to these services will provide some customers with a better service than that provided via helplines.

   It is too early to have a full picture of complaints relating to our handling of the SA peak, as complaints and appeals against late filing penalties may be received and answered some time after the filing deadline. However, as a point of comparison, HMRC received 11,000 SA complaints between June and November 2023, of which 720 related to the seasonal pilot and we will learn from these as we do with all complaints. Across HMRC, the number of complaints has fallen month on month from July 2023 while we improved performance on replying to customer correspondence and processing repayments, including through redeploying SA helpline advisers during the summer trial.

4. Compared with last year, we have increased the number of quality checks undertaken by approximately 30%. Quality checks allow HMRC to ensure that advisers are completing all required actions to support customers and collect the right amount of tax. Managers undertaking quality checks review the actions taken on the return to check whether the adviser has updated the customer record correctly, escalated problems with the return where these have been identified and issued all relevant updates to the customer. Insight from quality checks is used to direct HMRC activity, support and coach individual team members, and to update our training or support if appropriate. The findings of this year's quality checks are consistent with previous years. Our approach to ensuing accuracy in returns is covered in question 8 below.

5. By close on 31st January 11.5m customers had filed their returns, compared to 11.4 million last year. 1.1m did not file on time, compared to 1m last year, and we are considering the factors behind this, while encouraging customers to submit their outstanding returns. At this stage we have seen no evidence that redirecting non-priority calls during this SA peak has prevented our customers from getting the support they need or from filing on time.

   We are still issuing SA penalties so cannot yet confirm the total number of penalties for this year. Last year we issued 1.1m SA penalties for returns due by 31 January 2023: we expect to issue broadly the same number of penalties this year. Customers usually have 30 days from the date that a penalty was issued to appeal, and HMRC will then review their cases. For this reason, information about appeals filed and the reasons for these are not yet available.

6. All callers contacting the SA helpline during the SA peak will have heard messages encouraging them to use our online services. There were 328,000 interactions with our SA Digital Assistant (DA) during our opening hours, an increase of 55% compared to last year's peak. Customers interacting with the DA can request a webchat with an adviser. 170,000 interactions resulted in a request for webchat support – of which we handled 125,000. 158,000 interactions did not request webchat support: suggesting that the Digital Assistant handled around 48% of customer queries. We cannot track callers who may have previously used our webchat services, but advisers supporting customers via webchat have the same training and information as those taking phone calls, so there should be no need for a customer who has been supported by webchat to then contact us with the same query by phone.

7. HMRC compliance enquiries are risk-based and may span more than one tax year. We do not have a target number of enquiries into SA tax returns. Compliance work priorities will be determined over the course of the year

based on an up-to-date assessment of risk. At the present time, there are no plans for increased numbers of SA enquiries.

8. We assess the accuracy of customer returns through a range of tools, including validation built into online services for submission and compliance risk assessments. Given the changes this year, our analytical teams have undertaken additional work to look at return data to assess whether the closure of the SA helpline during the summer trial had an impact on the information reported by customers and the tax paid. No impacts have been identified to date.

9. We are making changes to our telephone support offering from 8 April, including to our SA helpline. These are set out in further detail below.

10. Our overall assessment of the changes we have made to customer support in the run up to the SA peak are positive. Customer filing rates and payments made are in line with or better than previous years, based on our analysis to date. The evidence suggests that the changes we have trialled have not had an impact on customers' ability to file on time or to make payments. A record number of returns were filed for the 2022 to 2023 tax year with 11.9 million tax returns filed for the 2022 to 2023 tax year by 11 February 2024 (the latest data available at the time of the analysis prepared for the evaluation). By the end of the peak, 91% of the issued returns had been filed: this is in line with previous years.

    We have had success in moving customers online, with increased numbers of customers using our digital services, and customer satisfaction scores for those services remaining around 80%. For those customers who still chose to contact us by phone, we were able to deliver similar performance on SA telephony to last year. We do have more work to do to encourage more of our customers to use online services where they can. We will consider how we can continue to do this, as we deliver the changes we are setting out below.

    Overall, we have handled 1.1m customer contacts this year, with c.1300 advisers allocated to phones and webchat. Last year, we handled 1m customer contacts with c.1700 advisers allocated to phones and webchat. Our actual staff allocations to helplines and webchats fluctuate day by day as we move staff across lines and types of work to balance our customer service. But these planned allocations illustrate how we have used fewer staff and more digital services to support more customers through this year's peak.

<u>Changes to HMRC telephone support services from 8 April 2024</u>

HMRC is modernising the tax system to allow more customers to self-serve and access the information they need online. We continue to expand our online and app services. Taxpayers who use online services rate them highly, with over 80% satisfaction ratings. By expecting customers to use online services where they can, we can improve customer service levels, including for those customers who need to ring us because they are vulnerable or are digitally excluded or have complex queries with the reduced funding we have been allocated for customer support under the 2021 Spending Review and the subsequent Efficiency and Savings Review.

HMRC is committed to offering a telephone service to those who need it, including taxpayers who are vulnerable or struggle to get online. For other customers, we are updating our telephone service to ensure that our advisers are able to support customers with priority queries at the times they are most needed, whilst further expanding the use of our online services for other queries. We will continue to encourage customers to use online services when they can. From 8 April, we are planning to introduce changes to three telephone helplines, as follows:

SA helpline

Following the trial of seasonal opening hours for the SA helpline and the evaluation findings set out above, we plan to introduce this change permanently. The SA helpline will therefore be closed 8 April – 30 September 2024. If a customer rings the SA helpline they will be directed to the appropriate online service for their enquiry. Customers will usually be able to self-serve online, but if the online guidance and digital assistant do not deal with their query, they will be able to get support from an HMRC adviser through webchat. Our webchat advisers can provide all the same advice as a phone adviser.

Vulnerable customers and those unable to access our online services will be asked to ring a separate number where they will continue to receive support from a helpline adviser.

We will provide a SA helpline service between 1 October and 31 January for SA customers seeking support to file their SA return or make a payment. During February and March SA customers will be able to speak with a helpline adviser on penalties and appeals.

VAT helpline

Similarly, from 8 April, the VAT support service is also moving online.
There are monthly peaks which occur around the VAT filing deadline on the 7th of every month. To deal with priority customer queries during these monthly peaks, the VAT helpline will be open for the 5 business days leading up to and including the filing deadline. This will improve service levels overall by concentrating our adviser resource at the point in time it is most needed.

Customers calling the VAT helpline outside of those monthly peaks will be directed to online services and guidance. Webchat advisers will be available to answer queries if customers need further help after using online guidance. HMRC has a strong online service for VAT with satisfaction scores consistently above 80%.

PAYE helpline
Many of the queries to the PAYE helpline are about refunds and can be dealt with online. From 8 April, HMRC will direct all customers and agents following up on PAYE refunds to their Personal Tax Account (PTA) or the digital assistant, where they will be able to check when they can expect to receive their payment.

Customers will be able to make claims and follow up on payments online via their PTA or the HMRC app. If a customer or an agent has not received their payment by the date HMRC has advised them, they can go online to track their payment through the digital assistant and go through to a webchat adviser if necessary. Therefore, from 8 April, we will only take calls on the helpline about PAYE refunds from customers who are vulnerable or may struggle to get online.

This change will free up advisers to process customer payments and other correspondence more quickly. HMRC already processes over 75% of refunds within our 15 working-day service standard.

Services for tax agents
We continue to offer a dedicated line to support tax professionals, such as accountants, tax advisers and other agents, in managing their clients' tax affairs. This allows agents to make enquiries, request information, and resolve issues related to their clients' tax matters. The changes from 8 April will not affect services to agents.

We also offer a range of online services for agents, including an agents' service dashboard to give a view of HMRC performance across services and a "where's my reply" tool to allow agents to assess when they are likely to receive updates from HMRC. We encourage tax agents to use these services where they can, calling the agent dedicated line only for queries that cannot be resolved online.

Support for vulnerable customers
HMRC will always ensure that support is available for vulnerable customers, and have considered the needs of those customers in planning for these helpline changes. For people who cannot, or struggle to, engage online, HMRC will continue to provide help through telephone helplines and our Extra Support Service. This service is for customers with health or personal issues, which may mean they cannot contact us online. Customers who need this extra support can ask for phone, video, or in-person appointments when they phone our helplines, and our advisers will assess their circumstances to offer the best option for them. Further information on the Extra Support Service can be found at: www.gov.uk/get-help-hmrc-extra-support.

I would like to reassure you that we will always accommodate digitally excluded people and will continue to work with the voluntary and community sectors to offer help to those who need it.

I am copying this letter to the Chair of the Committee of Public Accounts.

Yours sincerely,

Jim Harra

CHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY