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# **Your Tax Account**

Communications and Message Testing

**BT Change**

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***About Business Tax Change (BT Change)***

Behavioural Evidence & Insight Team

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## Your Tax Account – Communications and Message Testing

The Business Tax (BT) Change Directorate is delivering Change Programmes and Projects to help BT meet the HMRC vision, by:

- Presenting a coherent, joined-up picture of Change for business taxes – to our customers and our colleagues;
- Making flexible and efficient use of our abilities – sharing best practice and avoiding duplication.

### *Contents*

Research requirement (background to the project)	3
When the research took place	3
Who did the work (research agency)	3
Method, Data and Tools used, Sample	3
Main Findings	4

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## Your Tax Account – Communications and Message Testing

### *Research requirement (background to the project)*

This research was required to inform the design and delivery of the supporting communications for the *Your Tax Account* digital service.

**Your Tax Account** is an online service which will provide Small and Medium Enterprises (SMEs) with a personalised homepage, giving them an overview of their main business taxes. Existing SMEs are ordinarily required to file their business tax returns online and thus are signed up to HMRC's online services already. They are, therefore, used to using HMRC's "Your Online Services" page.

Your Tax Account will replace that screen, and some of the others which flow off it, to bring together into one place access to all key online services, help and information. HMRC wanted to understand how best to engage with, and explain to, these customers about the changes they would be seeing, when, how, and why – and the benefits to *them* that these changes would bring.

### *When the research took place*

Fieldwork took place between 14<sup>th</sup> and 23<sup>rd</sup> January 2014.

### *Who did the work (research agency)*

The work was carried out by Jigsaw Research.

### *Method, Data and Tools used, Sample*

This research was qualitative and consisted of 6 focus groups and 10 depth interviews with SMEs. The overview of the sample structure is contained in the table below.

Group	SME Size	Sector	IT Confidence
1	Under £1m	Professional services	Higher
2	Under £1m	Wholesale/retail/hotel & catering	Lower
3	Under £1m	Manufacturing/construction/engineering	Lower
4	£1-3m	Professional services	Higher
5	Under £1m	Mix of industries	Higher
6	£1-3m	Manufacturing/construction/engineering	Lower
Depth			
1-8	Under £1m	Mix of industries	Lower
9-10	£1-3m	Mix of industries	Higher

- 2-3 sole traders were included in the focus groups with SMEs with turnover under £1m.
- Businesses were mainly well established, but some relatively new businesses were also included.

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## Your Tax Account – Communications and Message Testing

- Respondents were recruited to represent a range of ages and life stages, including a reasonable number of older (55+) respondents.

### *Main Findings*

#### **IT Confidence**

The vast majority of respondents were comfortable using IT. Most respondents felt strongly that a degree of IT confidence and capability was considered a requirement for anyone setting up and running a small business these days. All but one or two of those interviewed were very comfortable using the internet and email and carrying out straightforward transactions online. Many felt that computers and the internet had made the administrative tasks involved in running a business significantly easier than in the past.

#### **Little contact with HMRC and the role of the accountant.**

If a business had straightforward affairs and/or if the businesses used an accountant to help with tax affairs, customers had little need for regular contact with HMRC. Accountants were valued because they allowed customers to focus on their core area of business, removed the need to keep abreast of tax matters, provided a sounding board for general business advice and helped the business owner to save money by advising about tax allowances.

However, it was also common for respondents to say that they slightly resented their accountant's fees, especially as they had to carry out a lot of preparatory work in terms of record keeping and provision of financial information. Some resented a lack of proactive advice from their accountant and even if they were not keen to do without an accountant altogether, they expressed an interest in becoming more self sufficient in relation to their tax affairs and taking on more of the tasks involved throughout the tax year.

#### **SME digital needs**

Respondents were able to clearly articulate their needs in relation to an improved HMRC digital service:

- Simplification. They believed an improved digital service could help simplify their tax journey and experience.
- Greater knowledge. Improved guidance could raise their level of tax knowledge and help reduce their reliance on an accountant
- Removing the fear factor. Many believed that tax was more daunting than it needed to be – an improved digital service with improved guidance and a different tone of voice could make tax less scary
- More tailored service. SMEs wanted information and guidance more specifically tailored for them (e.g. based on their line of business, the size of their business).
- Reciprocity. Some respondents articulated the feeling that if HMRC wished them to comply with their tax obligations, HMRC should make it as easy as possible for them to do so.

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## Your Tax Account – Communications and Message Testing

### Overall appeal of Your Tax Account

The concept of Your Tax Account had strong theoretical appeal. It met the spontaneous need to deliver a more tailored digital service to SMEs, removed the problem of multiple log-ins and having to visit different parts of the HMRC website and was felt likely to deliver the generic benefits of successful digital platforms – easier, quicker, simpler, all in one place.

More sophisticated customers, who were already using HMRC's online services, felt that what was initially being offered, by way of the Your tax account service, would need to be expanded fairly quickly. They appreciated the convenience of everything being 'in one place' but sought reassurance that functionality would also improve, particularly payment functionality. They also tended to make assumptions about the proposed new service in terms of stronger personalisation and integration than might be delivered, at least in the short term. However, once they understood that the service, as delivered from April, was the foundation on which a much more comprehensive suite of services would be added over time, they were content.

### Your Tax Account in detail

The personalised entry page was welcomed, although some more sophisticated users interpreted the term "personal home page" as indicating both a fully integrated and updated 'statement' of a customer's tax affairs and the ability for HMRC to 'push' very targeted communication to each customer, based on the data held here.

Other comments or questions on the home page included:

- Customers wanted clarification as to whether basic information would be provided by HMRC or whether they would need to 'register' and provide information up front. Most were very happy to do the latter to ensure HMRC held information that was correct and comprehensive
- Customers commented on how imminent the launch of Your Tax Account was.. Some requested early warning of the change, others were more relaxed on the basis that websites were always changing/upgrading and customers were often not notified

Customers felt that the four taxes to be included (SA, VAT, CT, and PAYE) were the most important, but if the service was to deliver a genuine one stop shop, they felt it should also include National Insurance (for the Self Employed). Those involved in the construction industry wanted the Construction Industry Scheme to be included within the same portal and others also mentioned items such as P11Ds and P35s.

Most were reasonably comfortable with other services (guidance and payment facilities, for example) being accessed via links, but they needed reassurance that it would be very easy to navigate back to the home page from these linked areas. Payment options also appealed, but customers wanted reassurance that these would be easy to use.

There was strong interest in online help and guidance. Customers were keen to have both basic guidance (text format) as well as video based content, and, if possible, live chat.

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## Your Tax Account – Communications and Message Testing

They wanted guidance to be clearly tailored for SMEs, assuming a low level of tax knowledge and using a helpful and accessible tone of voice.

### Your Tax Account benefits

As presented the Tax Account concept had clear benefits to customers, including:

- Speed and ease. This was the strongest perceived benefit. Most agreed that the Tax Account would make it quicker and easier for them to fulfil their tax obligations
- Simpler. There was a perception that if the Tax Account was delivered well, it would make the tax rules and process appear simpler to SME customers
- All in one place. This was perceived to be a powerful benefit, particularly in contrast to the current SME experience of HMRC's digital service

### Barriers to using Your Tax Account

Respondents did not express any significant concern about the security/safety of the site – for the most part they assumed it would be secure. At most, they said they would need a short message of reassurance that, as expected of a government portal, it would be secure.

The research identified three potential barriers to usage of Your Tax Account:

- A proportion of SMEs delegated all interaction with HMRC to their accountant. They had no reason or motivation to visit or use the service
- Some SME respondents were cynical about delivery of the service (based on other government IT/website experiences or publicity)
- Current payment methods (via bank website or from accountancy software) worked well, so some customers wouldn't be motivated to switch to those aspects of Your Tax Account.