



*Research report*

# Self-Assessment online

Evaluation of guidance materials

**Individuals Customer Directorate, HMRC**

## *About the Individuals Customer Directorate (ICD)*

ICD is part of Personal Tax, which has responsibility for personal tax policy and operations as well as some work streams with personal and business customers.

Our role is to work with Directorates across the Department, whether they are involved in designing, delivering or operating services to individual customers, even indirectly, to help them make it as easy as possible for our customers to get it right. We also manage cross HMRC areas that affect our customers such as complaints strategy.

## *Contents*

|  |   |
|--|---|
| Research requirement (background to the project) | 3 |
| Who did the work (research agency)               | 3 |
| When the research took place                     | 3 |
| Method, data and tools                           | 4 |
| Main findings                                    | 4 |

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

During 2008, HMRC undertook a number of communications activities aimed at advising Self Assessment (SA) filers of the new deadlines for filing on paper (31 October 2008) and online (31 Jan 2009). They also provided a number of support tools (including a step-by-step guide to filing SA returns online, which was launched in May 2008) for customers who were filing online for the first time, and might need help / reassurance.

Additionally, HMRC sent a letter and accompanying registration guide, in late November 2008, to all those unrepresented customers who had not yet registered / enrolled for SA online services, to explain: that they had now missed the paper filing deadline (31 October 2008); that they needed to file their tax return online or face a £100 penalty for filing on paper; and to provide guidance to customers to the first step to online filing – how to register / enrol for SA online services. The registration letter also referred customers to other sources of help, including to the step-by-step guide above.

The specific communications activities which form the basis of this research are:

- The *registration letter*, sent to all those known to need to file an SA tax return who had not done so, or registered to file online, by the 31<sup>st</sup> October 2008 deadline;
- The *registration guide*, which accompanied the registration letter and aimed to provide support in the registration / enrolment process for the online filing service; and
- The *step-by-step guide* to filing online, providing information on how to file an SA tax return online.

The aims of these products were to:

- Inform individuals (both existing and new customers) that they need to file an SA tax return online or face a penalty; (the registration letter and guide only); and
- Provide support to these individuals to reassure them of the ease of online filing and guide them through the process (all three products).

HMRC required market insight to evaluate the effect of the products, specifically:

- Do customers recall receiving (or, in the case of the step-by-step guide, requesting) the products?
- Was the intended message communicated to customers?
- Did they give customers the information they needed to file online?
- Did the products encourage customers to file online? Do the products convey the benefits of filing online?
- Could the products be improved upon and, if so, how?

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

The research was conducted by FDS International.

## ***When the research took place***

The fieldwork was conducted between September 2009 and December 2009.

## *Method, Data and Tools*

The research adopted a multi-channel approach. A quantitative survey of a representative sample of SA customers triangulated with deeper understanding from qualitative focus groups and in-depth interviews.

The survey was issued to a random cross-section sample of HMRC's SA customers who had been sent the products in November 2008 as a result of not filing their SA tax return before the 31<sup>st</sup> October 2008, and not having registered to file online by that time.

Initially a pilot study was conducted with 123 respondents answering a telephone survey. This was followed by a main stage with 1,000 interviews; 653 of the respondents had filed their SA tax return online having missed the paper filing deadline (the remainder got someone else to file their SA tax return on their behalf).

Five focus groups were convened with HMRC SA customers. Two groups contained participants who had filed their SA tax return before 31<sup>st</sup> October 2008 (and therefore would not have received the registration letter and guide from HMRC in November 2008), participants in the other three groups filed after the paper filing deadline (and hence received the registration products in November 2008). Three of the groups were sent copies of the products in advance of the focus groups; the others were presented with the products during the group discussion.

Additionally, six in-depth interviews were conducted with customers to get a more detailed perspective.

## *Main Findings*

### **1. Awareness of products**

Awareness of the products was:

- 71% for the registration letter,
- 55% for the registration guide; and
- 57% for the step-by-step guide.

Respondents reported increased confidence both in registering for, and in the process of online filing of their SA tax return as a result of using the products.

### **2. Registration letter**

87% of respondents reported that the registration letter gave them the confidence to register to file online. It also acted as a reminder to many that they needed to complete their SA tax return.

Many respondents from the qualitative phase reported that they did not see the reverse side of the letter, and that on reviewing it, they considered that it contained relevant and important information which both enabled and encouraged them to file online.

The letter was considered 'wordy' by many qualitative respondents, who felt the content should be summarised to make it easier to extract the key details. Many failed to glean from the registration letter the registration process would not be immediate and that they would need to wait for further details to be posted to them before they could commence filing their SA tax return.

The letter, whilst assisting respondents to register, was not felt to promote the benefits of filing online strongly enough – mainly because the benefits are set out on the reverse of the letter.

### **3. Registration guide**

Awareness of the registration guide was 55%. Of those who remembered receiving the registration guide, 93% said they read at least some of it, with 31% saying they read the entire document. Those with lower computer skills were more likely than other groups to read the whole guide.

Overall 88% of respondents said that the registration guide gave confidence to customers that they would be able to register to file their SA tax return online. Those who had concerns reported increased confidence for those who had concerns about filing; customers who considered themselves to have below average computer skills such as women and 'Technophobes' (as in the Carter segmentation). For those with reasonable computer skills, the guide acted as a resource for them to use in case of difficulties – though most found the registration process straightforward.

In some qualitative discussions, the length of the guide led some to believe that the registration process would be complex, and that the actual online filing process would therefore be beyond their technical capability.

For a small number of participants observed in several of the focus groups, the registration guide was considered patronising, using language and describing steps considered obvious or in need of no explanation. These customers did, however, acknowledge that their computer skills were probably more advanced than others, and could appreciate the need for a guide which set out all of the steps needed to register.

#### 4. Step-by-step guide

Awareness of the step-by-step guide was 57%, of whom 80% said that they referred to the guide at some point during the filing process. In total 52% of those who used the step-by-step guide found it online, either through a targeted internet search or through general browsing.

More than half (58%) of those who remember using the step-by-step guide reported reading it on screen; almost a quarter (23%) say they got a paper copy from HMRC and almost a fifth (18%) printed the step-by-step guide off the internet.

Almost all (97%) of those who recalled using the step-by-step guide said that they read at least some of it, with 28% saying they read the entire guide and almost half (48%) saying they read the parts they were unsure of. Around half (51%) said they referred to the step-by-step guide during the filing process when they were unsure of a particular point.

As with the registration guide, the step-by-step guide had the effect of significantly increasing confidence amongst customers, particularly those with concerns about online filing and those with weaker computer skills – the audience at whom this product was primarily aimed.

The increase in confidence was seen across all sub-groups, with 93% of respondents agreeing the step-by-step guide gave them the confidence to file their SA tax return online. Qualitative evidence suggests the existence of the guide gives the customers confidence to know that assistance is available should problems be encountered. It should be noted that, for some, the size and detailed nature of the step-by-step guide did make the filing process seem complicated and daunting.

The step-by-step guide was considered a strong product, which is clearly written and containing useful and relevant information about online filing. The main enhancement identified with the step-by-step guide is the need to further promote the product. It was felt the guide would be very useful to those filing their SA tax return for the first time, or with perceived difficulties using a computer.