

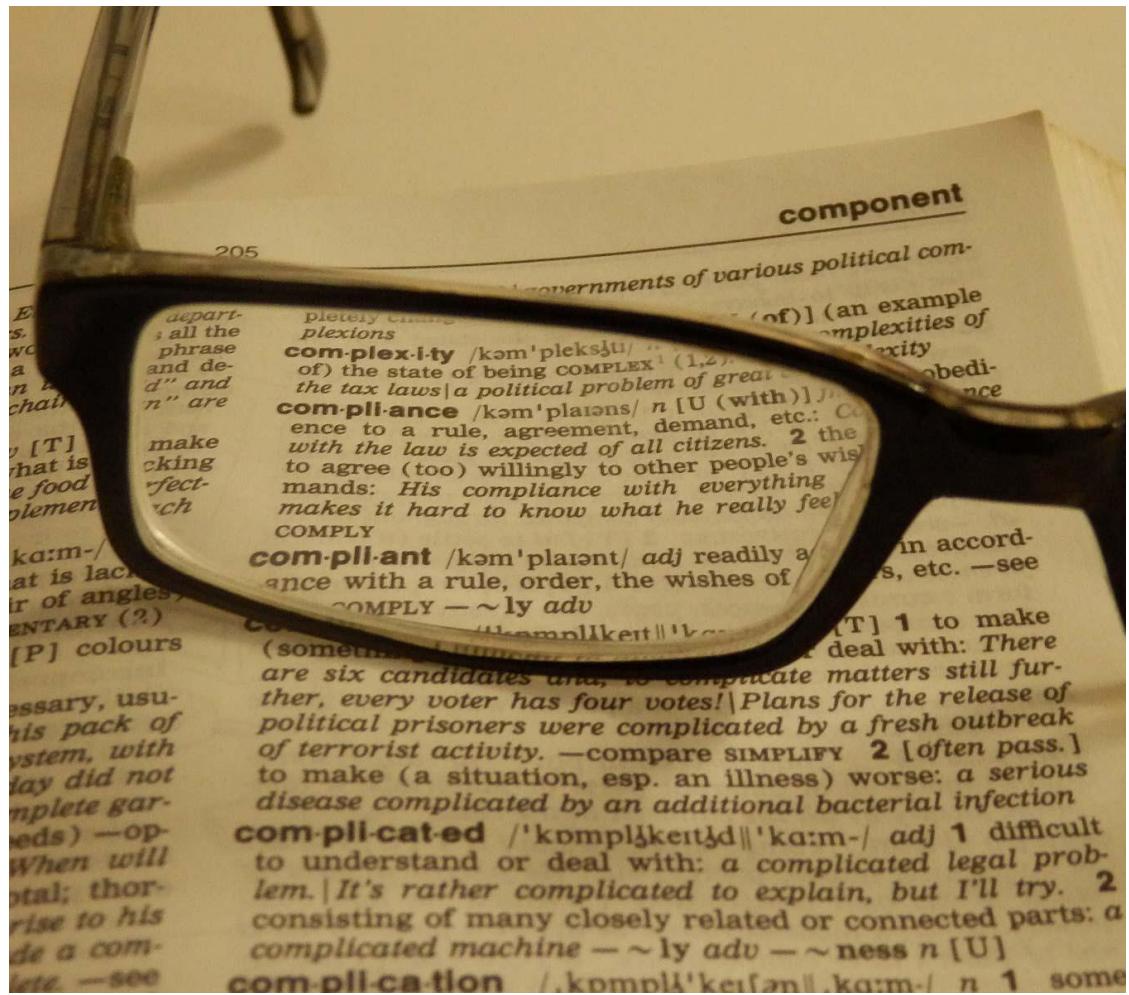


Survey of Agents of High Net Worth Individuals

Prepared for HMRC
By IFF Research

9 April 2015

Research report 365





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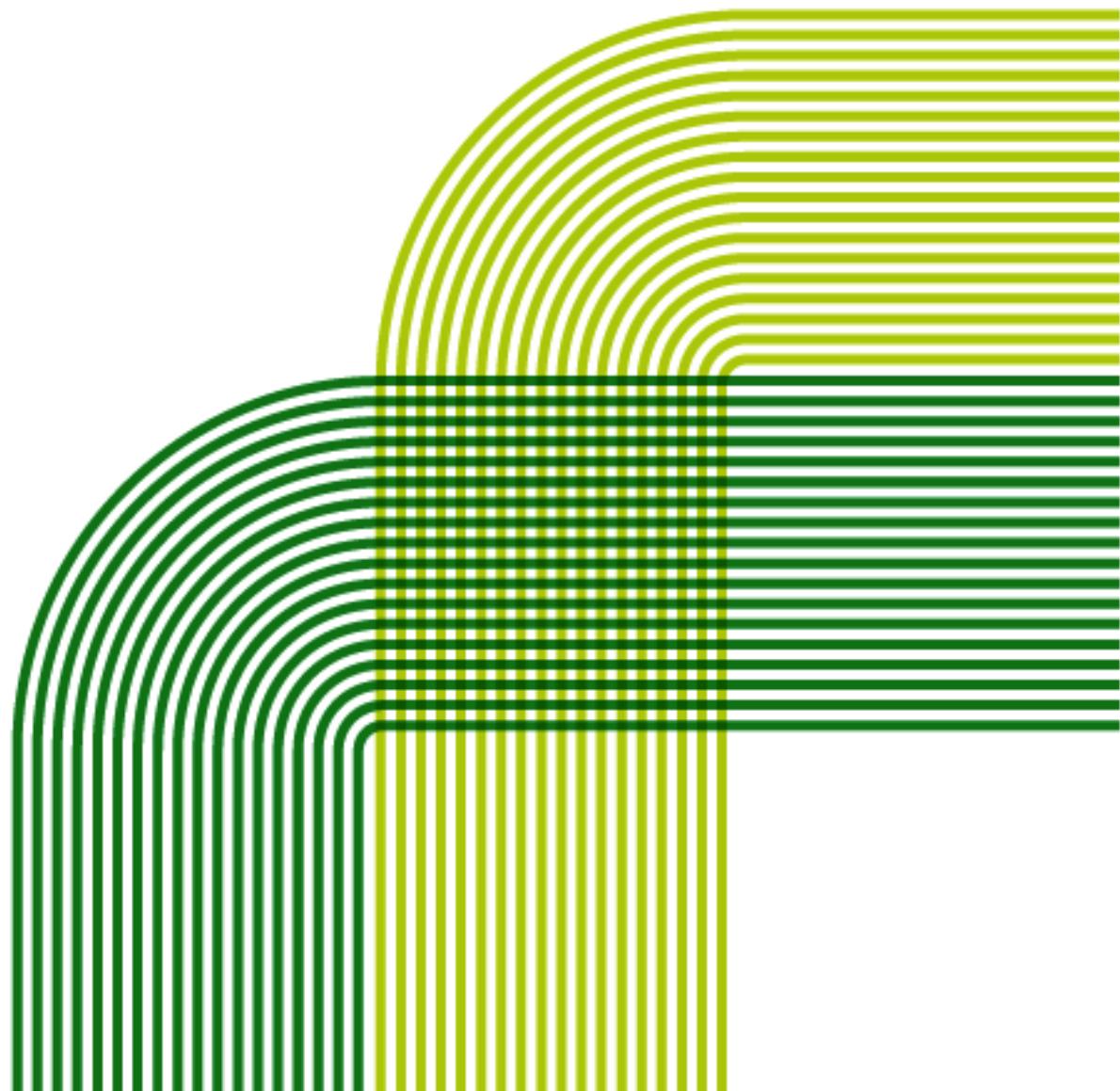
Published by HM Revenue and Customs, July 2015

www.hmrc.gov.uk



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Glossary

CRM	Customer Relationship Manager – a single point of contact for agents of customers of the High Net Worth Unit and some of HM Revenue & Customs' large business customers. The CRM manages the relationship between the customer and HMRC across all taxes and duties.
HNWI	High Net Worth Individual – defined by HM Revenue & Customs as an individual with assets of £20 million or over.
HNWU	High Net Worth Unit – the tax unit established in April 2009 to deal exclusively with the tax affairs of HNWIs, currently servicing c.6,200 customers.
KDA	Key Drivers Analysis - a statistical technique used to help understand the relative impact of different elements of the Unit's service on agents' overall experiences of dealing with them.



1 Key findings

- 1.1 The majority of agents reported high levels of satisfaction with the High Net Worth Unit (HNWU):
 - 85% reported a good overall experience of dealing with the Unit in the last 12 months;
 - 84% reported a good overall relationship;
 - 83% reported a favourable overall impression.
- 1.2 Around three-fifths of agents (58%) said they were likely to recommend the HNWU to their clients, a higher proportion than in the 2011 survey (52%).
- 1.3 Agents were more likely to have had any positive experiences (61%) over the last 12 months than negative experiences (20%).
- 1.4 Key Driver Analysis (KDA) highlighted that the most important driver in agents' experience of the Unit is thinking that the HNWU is distinct from HMRC, in terms of the service it provides. Around four-fifths of agents (83%) perceived the HNWU to provide a service that is distinct from other parts of HMRC, an increase from the proportion who said this in 2011 (74%).
- 1.5 The majority of agents were happy with the level of contact they had with the Unit, with two-thirds (67%) stating they would like the same level of contact over the next 12 months as they currently have, while a fifth (20%) would prefer less contact, and one in ten (10%) more.
- 1.6 The most common channels of contact for dealing with the HNWU over the last 12 months were by letter (94%) and over the telephone (88%). Three in ten agents (30%) had contact with the HNWU via email. However, more agents would like to have contact with the Unit this way, with around half of those who had not had contact with the Unit via email (53%) reporting that they would prefer to do so.
- 1.7 The Unit appears to have become more proactive in its dealings with agents since 2011. Around half of agents (54%) said that the HNWU tended to initiate dealings with them, higher than the proportion in 2011 (43%).
- 1.8 There was an increase in the proportion of agents who had personal dealings with a Customer Relationship Manager (CRM) or a member of their team in the last 12 months (45% vs. 37% in 2011). Around nine in ten agents (91%) who had personal dealings with a CRM reported having a good experience of dealing with the Unit, compared with around four-fifths (79%) of those who did not have a CRM, demonstrating the importance of the CRM model.
- 1.9 Agents were more positive about their experience with the HNWU than with HMRC as a whole. Around four-fifths (85%) reported having a 'good' experience of dealing with the Unit, which compared with 38% who reported having a good experience of dealing with the HMRC as a whole.

2 Executive Summary

Background, aims & objectives

- 2.1 HMRC established its High Net Worth Unit (HNWU) in 2009 to deal with the personal tax affairs of the UK's wealthiest individual customers. HMRC's aim is to build a deeper understanding of these customers' overall tax and financial positions, and work cooperatively and constructively with these individuals and their agents to establish the tax that is properly due.
- 2.2 This research builds on the first HNWU agent survey which was conducted two years after the launch of the HNWU, in 2011. The overall aim is to measure the overall customer experience of agents (and how these have changed over time). The 2011 questionnaire was replicated for the 2014 survey to ensure findings were comparable. The survey comprised of 588 telephone interviews with agents of High Net Worth Individuals dealt with by the HNWU. Fieldwork took place from 12th November 2014 to 23rd December 2014.

Overall opinions of the High Net Worth Unit

- 2.3 Around four-fifths reported a good overall experience of dealing with the High Net Worth Unit (85%), a good overall relationship with the Unit (84%) and their Customer Relationship Manager (CRM: 83%) and a favourable overall impression of the HNWU (83%). The proportion of agents who felt they had a good overall relationship with the Unit represented an increase from 2011 (78%).
- 2.4 Agents who were more closely engaged with the Unit, such as those who had personal dealings with a CRM, those who considered their dealings to be complex and those who felt they were kept well informed, were more likely to have a positive perception of the Unit. These groups were all more likely for example to report that they had a good overall experience of dealing with the Unit (91% of agents with a CRM, 91% of those with complex dealings and 93% of those kept well informed).
- 2.5 When asked to compare overall experiences of dealing with the High Net Worth Unit against their expectations, agents were largely positive, with the vast majority of agents stating that their overall experience was better than expected (25%) or in line with their expectations (70%).
- 2.6 Three-fifths of agents (58%) said they were likely to recommend the HNWU to their clients, a higher proportion than in the 2011 survey (52%), with around three in ten (28%) very likely to do so. Around a fifth of agents (18%) said they were unlikely to recommend the HNWU to their clients.

Aspects of good experiences

- 2.7 Agents were three times more likely to have had positive experiences (61%) in their dealings with the Unit in the last 12 months than negative ones (20%). This represented an increase in both positive and negative experiences since 2011 (49% and 14% respectively), although a small minority of agents reported that they had had a major complaint or problem (5%; 3% in 2011).
- 2.8 The timeliness of response as well as staff's technical knowledge appeared to be key factors in both positive and negative experiences.
- 2.9 Key Driver Analysis (KDA) highlighted that the most important driver in agents' experience of the Unit was based around their perception of the service the HMRC and the Unit provides as being distinct from one another. Staff's professionalism and the perception that the Unit dealt with the tax affairs of agents' clients fairly were also key drivers in agents' experience of the Unit.

Awareness of the High Net Worth Unit

- 2.10 Awareness of the Unit was high: all agents were aware of the HNWU prior to being asked to take part in the survey, with a sizeable majority (87%) first becoming aware of the Unit more than two years ago.
- 2.11 The level of knowledge about what the Unit does was more varied however; two-thirds of agents (66%) claimed to know a lot or a fair amount about what the Unit does, an increase from 51% in 2011. The proportion who claimed they knew a lot about what the Unit does also rose to around a fifth of agents (19%, from 11% in 2011). One in ten (10%) said they knew almost nothing about the HNWU.
- 2.12 Over four-fifths of agents (83%) perceived the HNWU to provide a service that is distinct from other parts of HMRC, an increase from the proportion who said this in 2011 (74%). Those who had personal dealings with a CRM and who felt they were kept well informed about their clients' tax affairs were more likely to perceive the HNWU service to be distinct (92% and 91% respectively).

Dealings with the High Net Worth Unit

- 2.13 Around nine in ten agents (93%) who had heard of the HNWU before had had dealings with the Unit in the last 12 months. Frequency of these dealings was varied. Overall, around a quarter (24%) reported having contact with the Unit at least once a month.
- 2.14 The majority of agents were happy with the level of contact they had with the Unit, with two-thirds (67%) stating they would like the same level of contact over the next 12 months as they currently have, while a fifth (20%) would prefer less contact and one in ten (10%) more contact.
- 2.15 The proportion who would like more contact over the next 12 months rose amongst those who had negative perceptions of the Unit (agents who had had a poor overall experience [21%), those who had an unfavourable impression [20%] and those who did not have a good relationship with the Unit [16%]). Those with a negative impression were, however, also more likely to prefer less contact (31% of those who did not have a good overall experience and 28% with an unfavourable impression reported this).
- 2.16 The most common channels of contact for dealing with the HNWU over the last 12 months were by letter (94%) and over the telephone (88%). A high proportion of all agents said they would prefer these forms of contact (81% and 88% respectively). Three in ten agents (30%) had contact with the HNWU via email, an increase from 20% in 2011. However, more agents would like to have contact with the Unit via email; indeed, over half of those who had not had contact with the Unit via email (53%) reported that they would prefer to do so.
- 2.17 The Unit appears to have become more proactive in its dealings with agents since 2011. Around half of agents (54%) said that the HNWU tended to initiate dealings with them; this is higher than the proportion in 2011 (43%). The proportion of agents who said they initiated contact with the Unit dropped from two-fifths (44%) in 2011 to one in nine (11%), while there was an increase in the proportion who felt there was a fairly even split in terms of who initiates contact (34%, up from 13% in 2011).

Dealings with the Customer Relationship Manager

- 2.18 Overall, there was an increase in the proportion of agents who had personal dealings with a CRM or a member of their team in the last 12 months (45% vs. 37% in 2011). Around nine in ten agents (91%) who had personal dealings with a CRM reported having a good experience of dealing with the Unit, compared with around four-fifths (79%) of those who did not have a CRM, demonstrating the importance of the CRM model.

- 2.19 Around four-fifths of those who had had dealings with their CRM reported having a good relationship with them (83%), indicating that where this relationship exists it appears to be working well. 1% of agents reported a 'poor' relationship with their CRM.

Impact on compliance

- 2.20 Agents generally felt they were treated well and that there was an equality to the process of the Unit dealing with enquiries and queries. A large majority (87%) agreed that the Unit dealt with their tax affairs fairly (43% strongly agreed), while a similar proportion agreed that the Unit had been consistent in the way they had dealt with their tax affairs (84%). Meanwhile 81% agreed that they could trust the Unit to take a reasonable approach in their dealings with the tax affairs of their clients.
- 2.21 The indications are that most agents are also satisfied with the way in which staff from the Unit co-operate with them: four-fifths agreed that Unit takes a co-operative approach when dealing with any tax concerns it has and the same proportion agreed that the Unit had actively sought a co-operative relationship with them (each 79%).
- 2.22 There appeared to be some uncertainty over the way in which the Unit retained the privacy of the High Net Worth individuals the agents represent. While 76% of agents agreed that the Unit upholds this privacy, 2% disagreed and 14% were not sure.
- 2.23 The majority of agents felt that the Unit made it clear what they and their clients needed to do to address any tax concerns (84%), similar to the proportion of agents who reported this in 2011 (85%).
- 2.24 Agents appeared to welcome the Unit's more informal initial approach when discussing tax issues and transactions prior to reporting these in the SA return. Around a quarter (26%) of agents who had had dealings with the Unit reported having discussions about tax issues and transactions with the Unit before they needed to be reported, and the vast majority of these (92%) said that this helped them in their work for their clients.

Dealings with other parts of HMRC

- 2.25 Nearly half of agents (48%) had had dealings with other parts of HMRC in the last 12 months regarding their High Net Worth clients.
- 2.26 Among those who had had dealings with other parts of HMRC, this frequency of contact was relatively low; around a third (35%) had only made contact once or twice in the last year. The most common reason for this contact was regarding a tax or SA return (53%), or sorting a revenue query (30%).
- 2.27 Agents were more positive about their experience with the HNWU than with HMRC as a whole. Around four-fifths (85%) reported having a 'good' experience of dealing with the Unit, which compared with 38% who reported having a good experience of dealing with HMRC as a whole. In terms of overall experiences of dealing with HMRC, there were no differences here between those who had had good experiences of the Unit and those who had not, suggesting this is not a driving factor in the reasons for the improvement in agents' rating of the rest of HMRC.

3 Background and methodology

3.1 This report presents findings from the 2014 survey the High Net Worth Unit Agent Survey, conducted by IFF Research on behalf of HMRC.

Background

3.2 HMRC established its High Net Worth Unit (HNWU) in 2009 to deal with the personal tax affairs of the UK's wealthiest individual customers. HMRC's aim is to build a deeper understanding of these customers' overall tax and financial positions, and work cooperatively and constructively with these individuals and their agents to establish the tax that is properly due.

3.3 Overall, the HNWU deals with the tax affairs of around 6,200 of the wealthiest individual customers of HMRC – i.e. those with a net worth of £20 million or more. These are known as High Net Worth Individuals (HNWIs). Customers are assigned a Customer Relationship Manager (CRM), a single point of contact, who has detailed oversight and develops a close understanding of the tax risks among these wealthy individuals. The CRM manages the relationship between the customer and HMRC across all taxes and duties.

3.4 This maximises the voluntary compliance of the majority of customers and enables HMRC to effectively challenge those who do not play by the rules. The High Net Worth Unit ensures good customer engagement with a focus on influencing behaviour to improve voluntary compliance.

3.5 In July 2014, David Gauke, Financial Secretary to the Treasury, spoke at HMRC's annual stakeholder conference unit and announced that the HNWU had delivered £1 billion in compliance yield to date. Indeed, since 2009 the compliance yield brought in by the HNWU has increased year on year to £268 million in 2013-14, a 20 per cent increase on the year before. The HNWU brought in £414 million of compliance yield in 2014/15.

Aims and objectives

3.6 This research builds on the first HNWU agent survey which was conducted two years after the launch of the HNWU, in 2011. While the feedback from agents in this study was largely positive (four-fifths rated their overall experience and relationship with the HNWU as good) it is vital that HMRC explores recent contact with a particular view to assessing whether there have been any changes in customer experience over the last three years.

3.7 The overall aim is to measure the overall customer experience of agents (and how these have changed over time) – the research specifically explores:

- Awareness and knowledge of the High Net Worth Unit;
- Dealings agents have had with the HNWU in the last year;
- Experiences and ratings of the HNWU; and
- The profile of High Net Worth Individuals that agents work for.

Methodology

3.8 The survey comprised of 588 telephone interviews with agents of High Net Worth Individuals dealt with by the HNWU. Fieldwork took place from 12th November 2014 to 23rd December 2014.

- 3.9 The sampling frame from which agents were selected were accessed from HMRC's records. One High Net Worth Unit customer was randomly selected from each of the 1,637 agent office sites that deal with the HNWU. For the 749 agent office sites that deal with more than one customer, a reserve customer was also selected, in case the HNWU office was unable to find details for the initial selection. The HNWU then populated the agent details for these customers where they were available. A maximum of two agents per office site were selected to minimise burden.
- 3.10 HMRC sent out individual opt out letters to sampled agents at their local office sites address. Following the opt-out period, IFF attempted to contact 1,115. Of these, 588 agents agreed to be interviewed, representing an unadjusted response rate of 53%. A further 32 leads were ineligible. Therefore, the adjusted response rate with estimated eligibility was 54%.
- 3.11 In line with the approach taken in 2011, the data was not weighted to the agent population. The separate technical report contains more details on this, as well as other aspects of the methodological approach taken in 2014.
- 3.12 Key Driver Analysis (KDA), a statistical technique, was used to help understand the relative impact of different elements of the Unit's service on agents' overall experiences of dealing with them. More details on the approach taken are also included in the separate technical report.

Reporting conventions

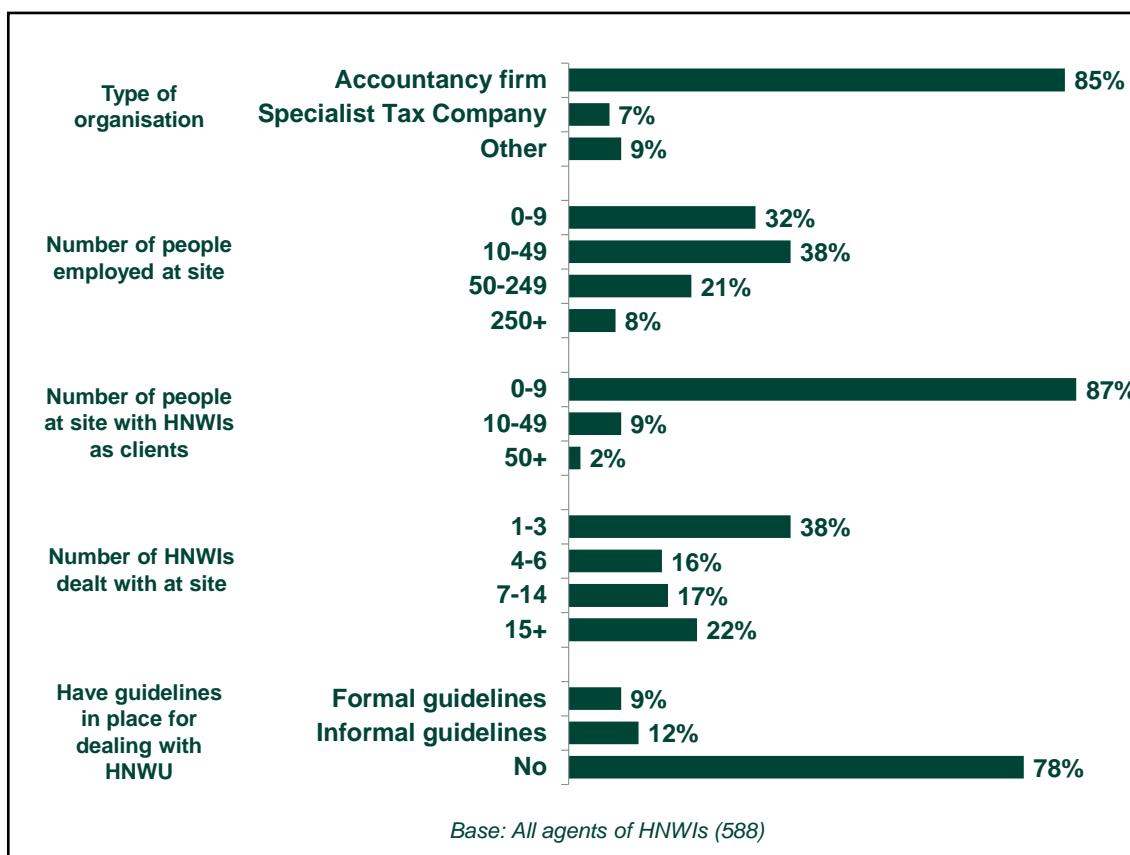
- 3.13 Comparisons made between 2014 and 2011 are significant to a 95 per cent confidence level, as are references to particular subgroup findings. Statistical differences are affected by both the base and the percentage figure too. In charts such differences are marked with an asterisk '*'.
- 3.14 In some cases charts or tables may not always add to 100 per cent and where this is the case it is due to rounding (i.e. 99 per cent or 101 per cent). Furthermore, in a number of charts and tables, 'don't know' answers have not been included.
- 3.15 Throughout the report, we make reference to subgroups of agents who had "more complex" and "less complex" dealings with the HNWU, relative to other agents. In the survey, agents were asked to rate the complexity of their dealings on a scale of 1 to 10, with 10 being the most complex. The "more complex" subgroup represents agents who answered 8 or higher (21% of all agents), while the "less complex" subgroup answered 3 or lower (28% of all agents).

4 Main research findings

Profile of agents, agent sites and their High Net Worth Clients

- 4.1 The majority of agents interviewed tended to work as tax advisors (78%) or accountants (52%)¹. In terms of job title, agents were most commonly Partners or Directors within their organisation (36%), while around a fifth (19%) were Tax Managers. A similar proportion of agents had Tax Advisor (15%) or Accountant (13%) as their job title.
- 4.2 Agents had a wealth of experience of dealing with HNWIs, with the majority of agents (76%) reporting that they had dealt with the tax affairs of HNWIs for 10 years or more. Furthermore, agents generally had some form of recent experience in dealing with the HNWU; two-thirds of all agents interviewed had their last dealing with the HNWU within the three months preceding the interview.
- 4.3 In terms of the profile of the organisations agents worked for, the vast majority were reported to be accountancy firms (85%) and though the majority of agents said they worked as tax advisors, only 7% reported working for specialist tax companies. Other characteristics of agents' sites are illustrated in Figure 4.1.

Figure 4.1: Characteristics of agents' sites



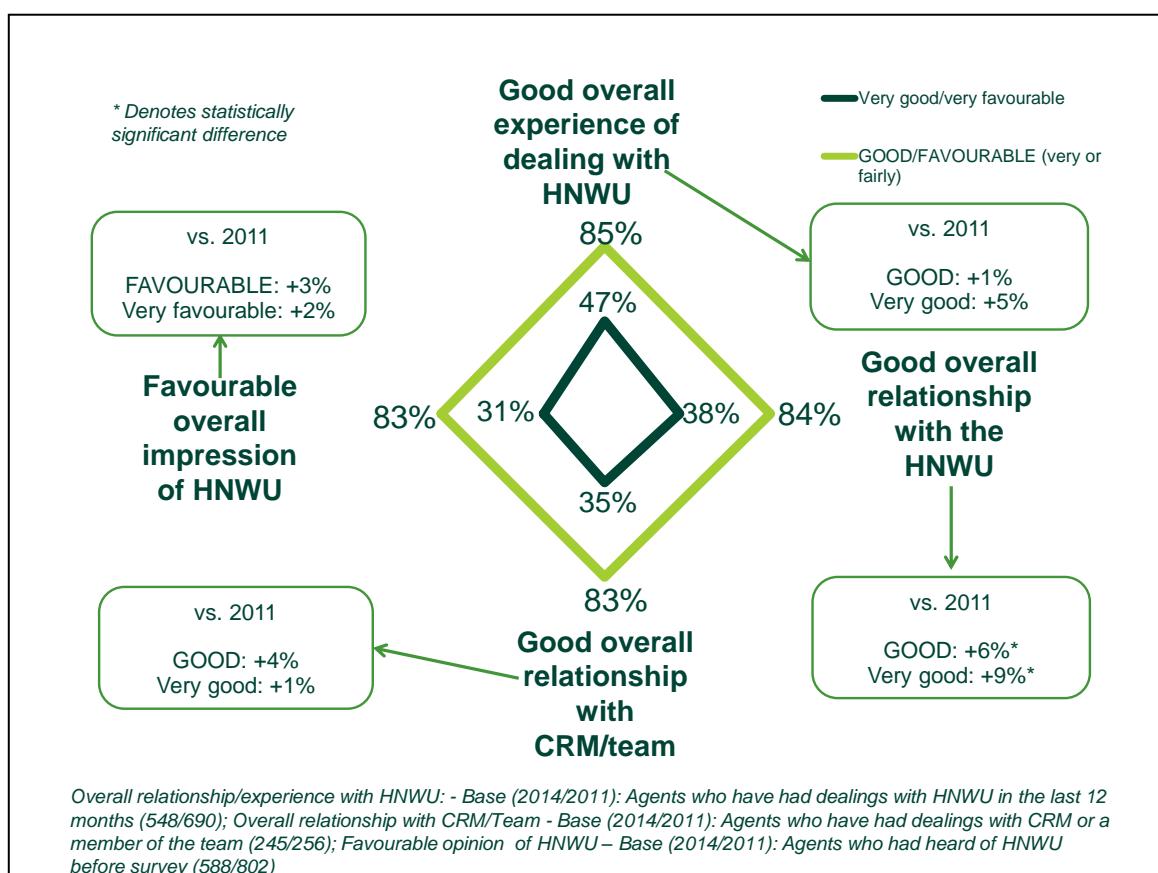
¹ NB Some declared themselves to be both tax advisors and accountants.

- 4.4 Considering the HNWIs that these agents represent, the main source of wealth tended to come from their own businesses (48%), while around one in eight agents reported that their High Net Worth Clients' main sources of wealth were through property (13%) or through investment (12%). The majority of agents (69%) felt that their High Net Worth Clients were involved to some degree in their own tax affairs, with around a quarter (24%) reporting that their clients were not very (21%) or not at all involved (3%) in their own tax affairs.

Overall opinions of the High Net Worth Unit

- 4.5 The majority of agents were positive towards the HNWU, whether in relation to overall experiences (85% rating this as good), their relationship with the Unit as a whole (84% good) or with a CRM/team (83% good), or in terms of a favourable opinion (83% favourable). As Figure 4.2 shows, there was little change from the 2011 findings, with the only significant increase evident in the proportion who rated a good overall experience (84% in 2014 vs. 78% in 2011), with a particular shift in the proportion who felt their relationship with the HNWU was 'very good' (38% vs. 29%).

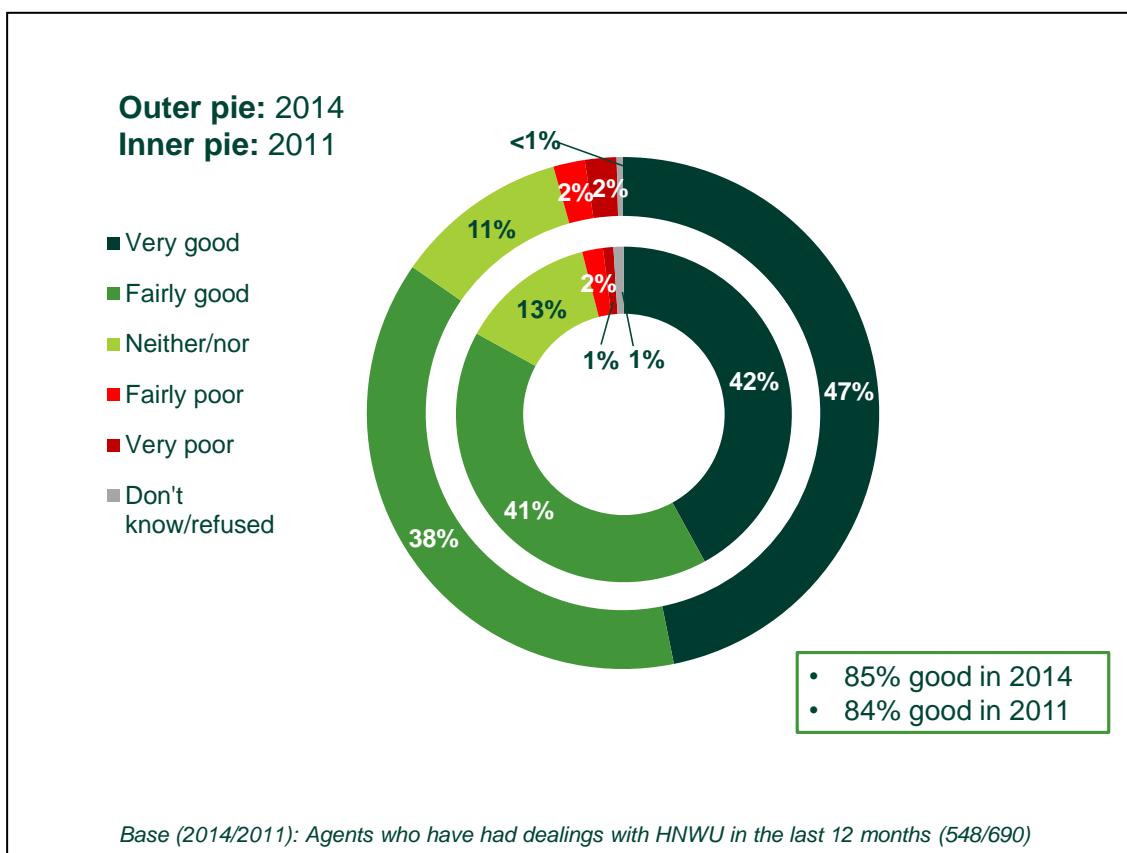
Figure 4.2: Overall opinions of the High Net Worth Unit



Overall experiences of dealings with the High Net Worth Unit

- 4.6 Overall, respondents were positive about their experiences of dealing with the HNWU in the last 12 months; around four-fifths (85%) reported their overall experience as good, with around half (47%) rating their experience 'very good' and a further two-fifths (38%) giving a 'fairly good' rating. The proportion rating a good overall experience was similar to the 2011 survey (84%). Figure 4.3 summarises the findings:

Figure 4.3: Rating of overall experience of dealings with the High Net Worth Unit in the last 12 months



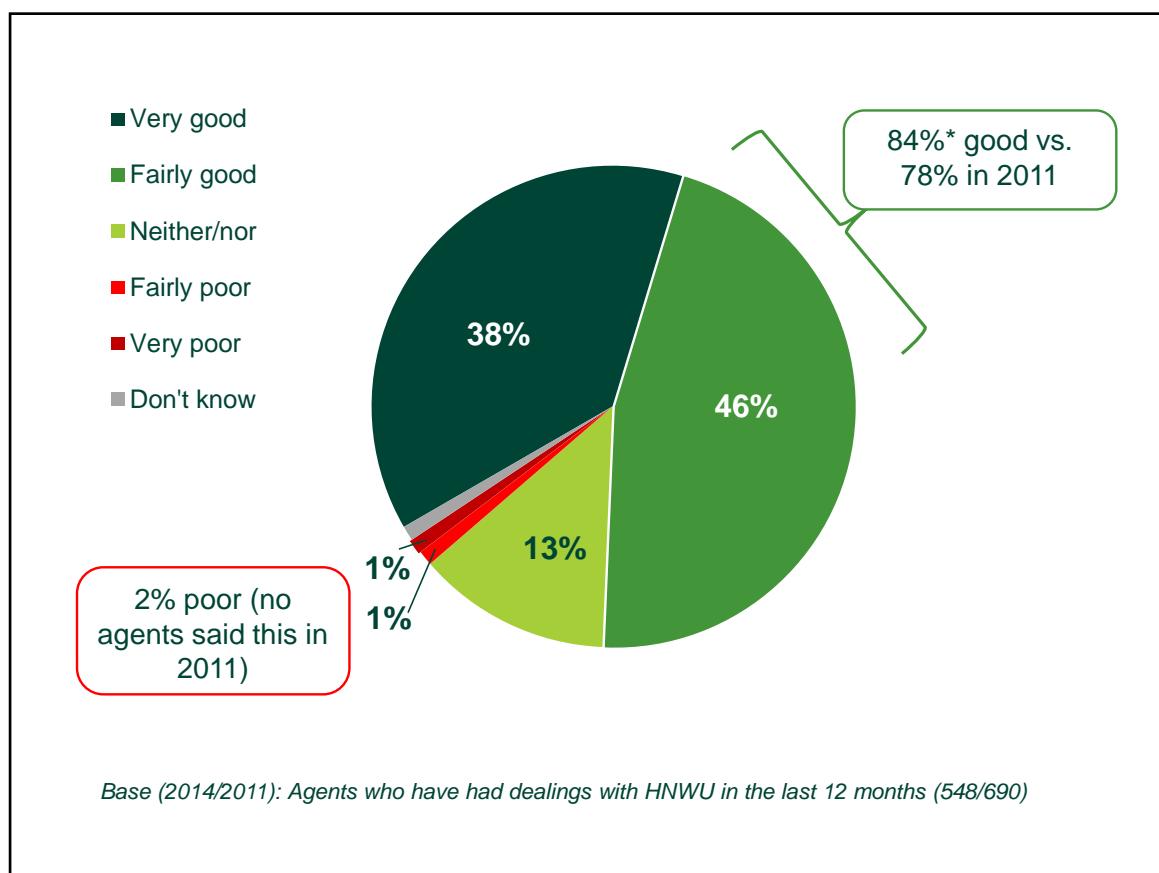
- 4.7 The proportion reporting a good experience was higher than average amongst agents who:
- Felt they were well informed about the tax affairs of their clients (93%);
 - Considered their dealings with the HNWU to be complex (93%);
 - Had personal dealings with a Customer Relationship Manager (91%)
- 4.8 These differences suggest that those receiving a personalised service or with a higher level of engagement with the Unit were more likely to be positive. This was also the case amongst agents at sites with 15 or more HNWIs, who, having had a broader range of experiences of dealing with the HNWU, were also more likely than average to report a good overall experience (91%). Considering modes of contact with the High Net Worth Unit, those who used email contact were most likely to report a good experience overall (91%).

- 4.9 One in 25 (4%) agents reported a poor overall experience over the last 12 months, with this higher amongst accountants (6%) than tax advisors (3%) and those who did not feel they were kept well informed about their clients' tax affairs (12%).

Overall relationship with and impression of the Unit

- 4.10 Around four-fifths (84%) of agents rated their overall relationship with the High Net Worth Unit as good an increase from the proportion reporting this in 2011 (78%). However, 2% rated their overall relationship with the Unit as poor (no agents said this in 2011). These findings are summarised in Figure 4.4.

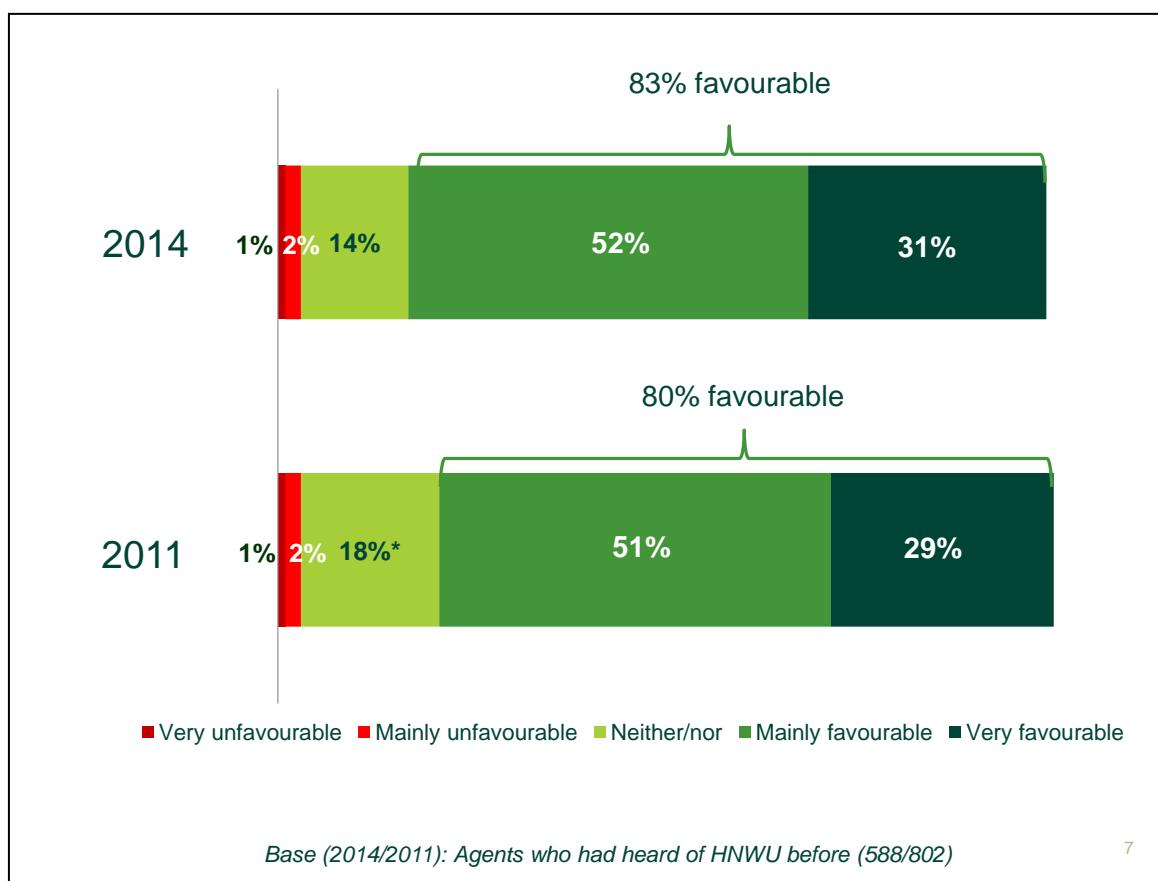
Figure 4.4: Rating of overall relationship with the High Net Worth Unit



- 4.11 Larger organisations (i.e. those with 100 or more employees at their site), were more likely than average to rate their overall relationship as good (91%), as were those who had more complex dealings with the Unit (95%) and those who felt they were kept well informed about their clients' tax affairs (90%). Those who have personal dealings with a CRM were also more likely to rate their overall relationship as good (89%).

- 4.12 Agents were also asked how favourable or unfavourable their overall opinion and impression was of the HNWU. Around four-fifths (83%) reported having a favourable impression of the Unit, showing little change from the 2011 survey (80%). 3% of respondents held an unfavourable overall opinion and impression of the Unit. Figure 4.5 illustrates these findings.

Figure 4.5: Favourability of overall opinion and impression of the High Net Worth Unit

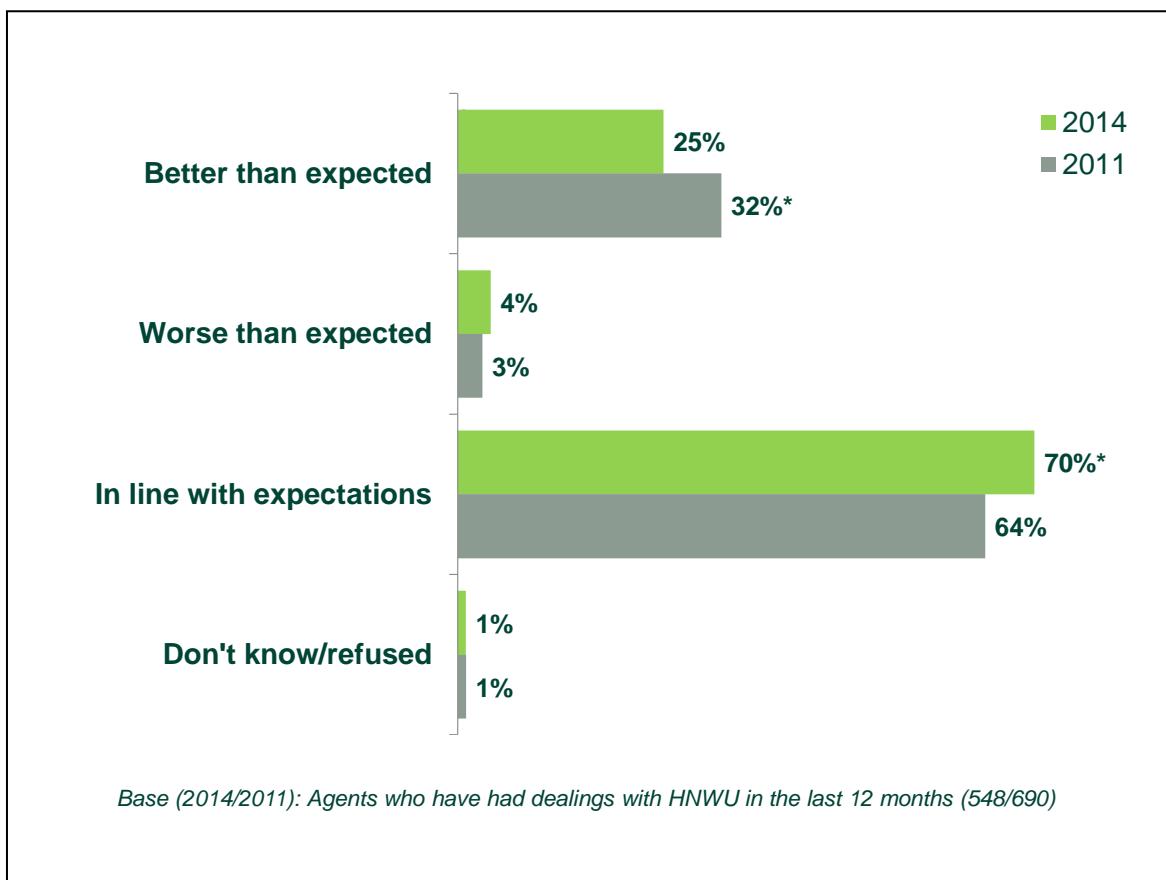


- 4.13 In terms of the nature of contact, similar differences were present again; agents who considered their dealings to be complex (94%), felt they were kept well informed by HNWU staff (92%) and who had personal dealings with a CRM (90%) were more likely to be favourable while those with 15 or more HNWIs were also more likely to report this (90%). Looking at the mode of contacts used to deal with the Unit, agents who had dealt with the HNWU via email were more likely than those who had contact by letter to have a favourable impression of the Unit (92% vs. 85%).
- 4.14 Favourability towards the Unit differed by occupation, with tax advisors more likely than accountants to report a favourable impression overall (85% vs. 79%). This may be a result of tax advisors being more likely to have complex dealings than accountants (22 vs. 15%).

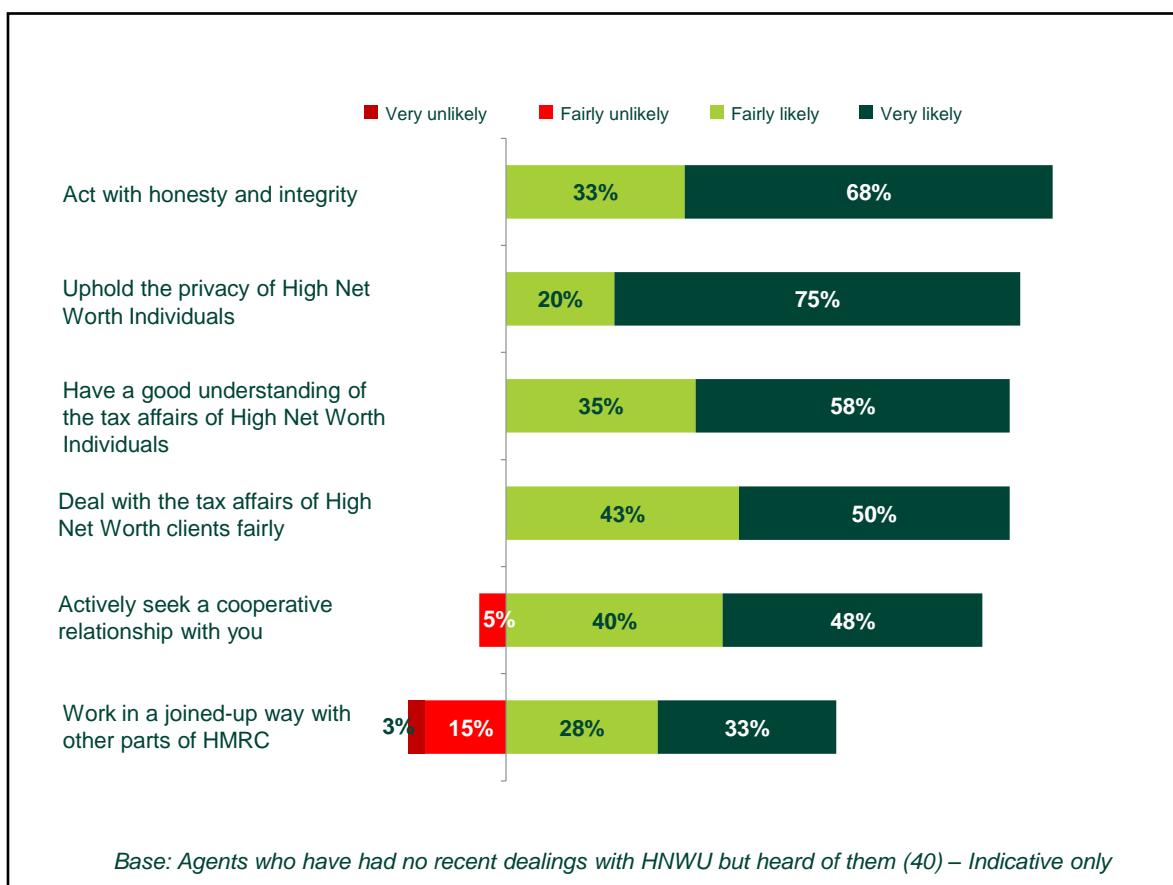
Expectations of the Unit

- 4.15 When asked to compare overall experiences of dealing with the High Net Worth Unit against their expectations, agents were largely positive, with 95% of agents stating that their overall experience was better than expected or in line with their expectations. A lower proportion of agents said they had a better than expected experience than in 2011 (25% vs. 32%), with this deficit being balanced out by the higher proportion of respondents reporting their experience to be in line with expectations (70% vs 64%). These findings are illustrated in Figure 4.6.

Figure 4.6: Overall experience of dealings with HNWU against expectations

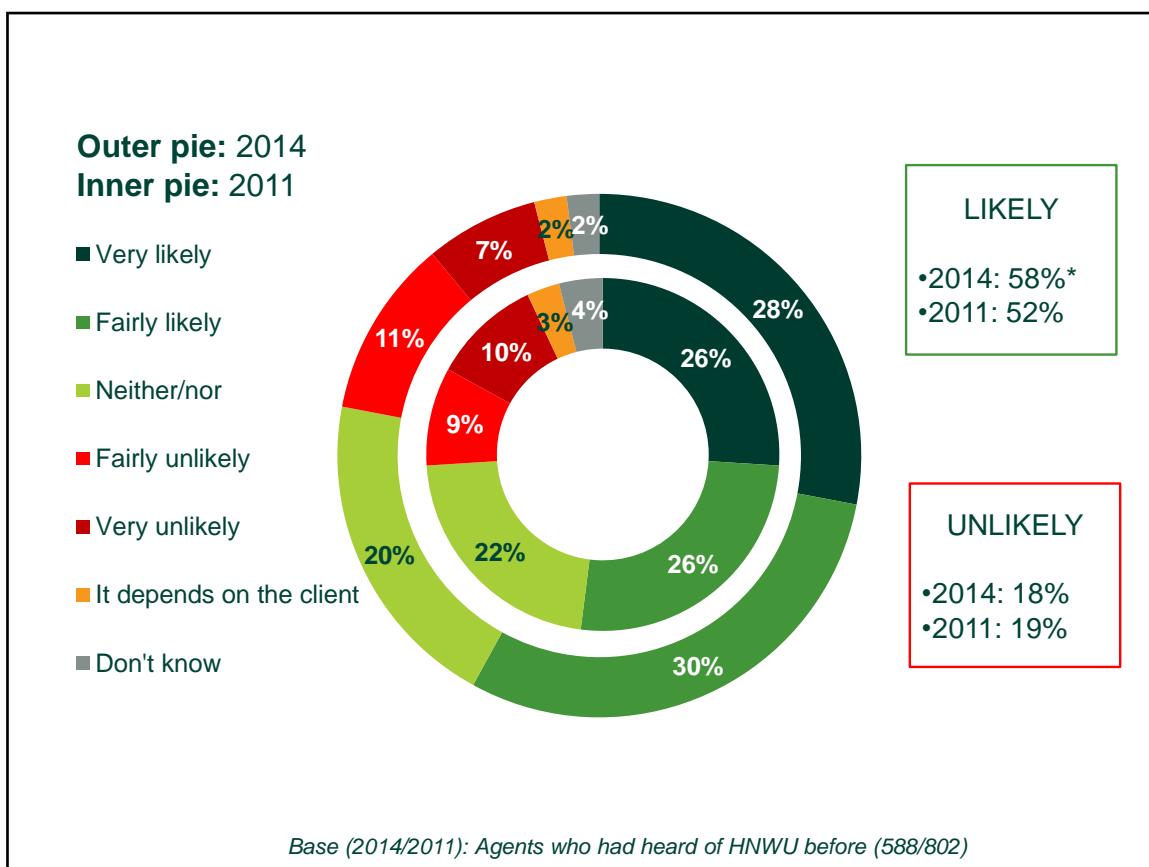


- 4.16 Agents who agreed they were kept well informed about their clients' tax affairs were more likely to feel that their expectations had been exceeded; three in ten (28%) reported a better than expected overall experience, with this proportion rising to 36% amongst those who strongly agreed they were kept informed. Furthermore, those who did not agree were considerably more likely to say their overall experience was worse than expected (12%).
- 4.17 Agents who had not had dealings with the High Net Worth Unit but were aware of them were asked about their expectations of the Unit, in terms of how likely they felt the Unit was to perform a series of measures, as shown in Figure 4.7. With a low base (40 respondents) results are only indicative, but show that a large majority of agents felt the Unit was likely to act with honesty and integrity; uphold the privacy of HNWIs; have a good understanding of their tax affairs; deal with their tax affairs fairly and seek a cooperative relationship with agents (ranging from 88-100% likely). Although the majority (60%) of these agents also felt the Unit would work in a joined-up way with HMRC, a relatively high proportion felt this was unlikely (18%).

Figure 4.7: Agents' expectations of the HNWU's performance in specific areas

Advocacy of the Unit

- 4.18 Three-fifths of agents (58%) said they were likely to recommend the HNWU to their clients, a higher proportion than in the 2011 survey (52%), with around three in ten (28%) very likely to do so. Around a fifth of agents (18%) said they were unlikely to recommend the HNWU to their clients. Figure 4.8 illustrates these findings.

Figure 4.8: Likelihood of agents recommending the HNWU to their clients

- 4.19 Larger organisations with 100 or more employees (67%) and agents who felt they had been kept well informed about their clients' tax affairs (65%, compared with 35% who did not feel they had been kept well informed) were also more likely to recommend the HNWU to clients. Furthermore, those who had dealings with the Unit via email were more likely than those with contact by letter to recommend the HNWU to clients (67% vs. 59%).

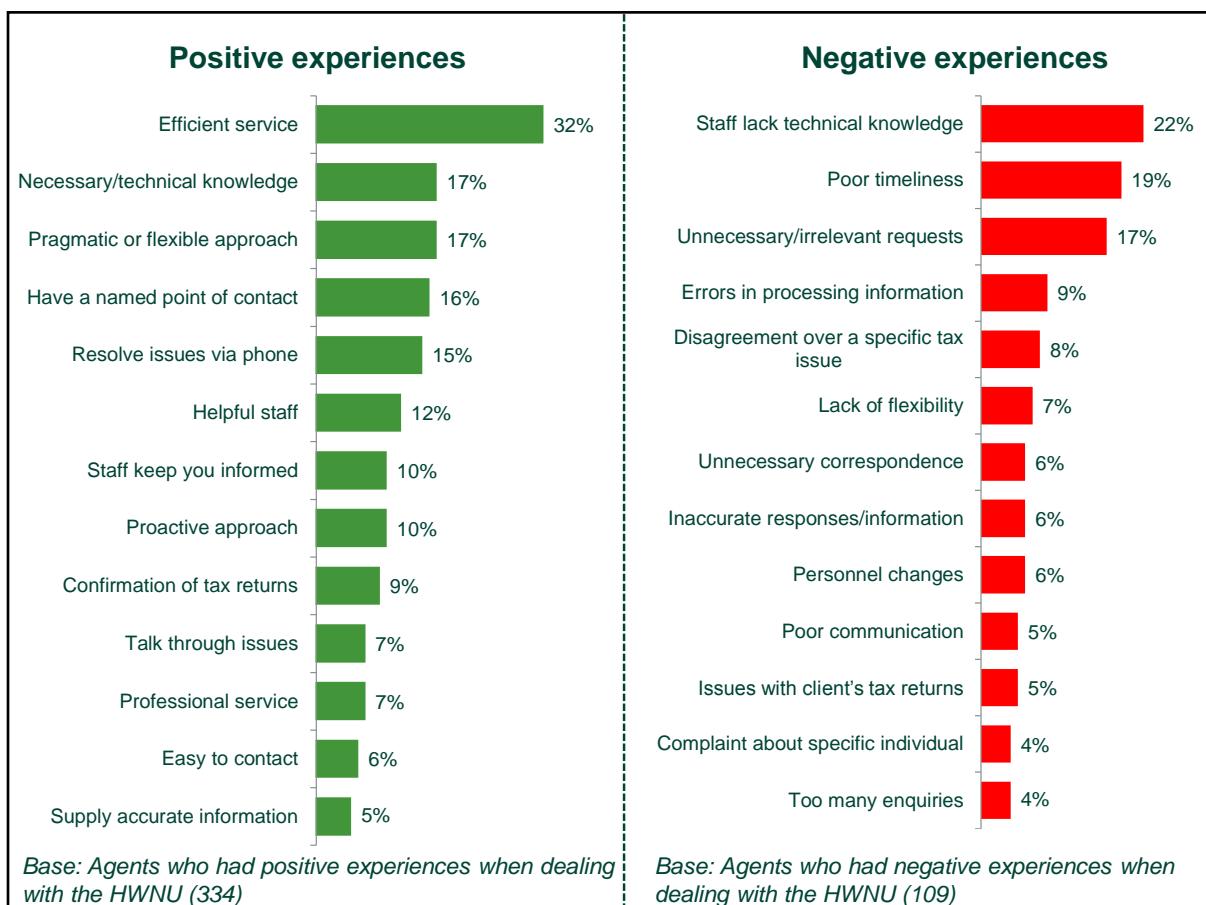
Aspects of good experiences

Agents' recalled reasons for positive and negative experiences

- 4.20 Agents were three times more likely to have had positive experiences (61%) in their dealings with the Unit in the last 12 months than negative ones (20%). This represented an increase in both positive and negative experiences since 2011 (49% and 14% respectively), although only a small minority of agents reported that they had had a major complaint or problem (5%; 3% in 2011).
- 4.21 Around half (51%) reported that they had had positive experiences but no negative ones. This was most common among those who had had more complex dealings (61%), and those who had had personal dealings with their CRM (56%).
- 4.22 The timeliness of response as well as staff's technical knowledge appeared to be the key factors in both positive and negative experiences, as Figure 4.9 illustrates. It is worth noting that 80% of agents

still agreed that staff responded within an appropriate timeframe, while 81% agreed that staff had the technical knowledge that was required. Some of the relevance of the contact was also queried by agents who reported negative experiences.

Figure 4.9: Most common positive and negative experiences of dealing with the Unit



Key Driver Analysis

- 4.23 Key Driver Analysis (KDA), a statistical technique, was used to help understand the relative impact of different elements of the Unit's service on agents' overall experiences of dealing with them. More details on the approach taken are included in the separate technical report.
- 4.24 Table 4.1 shows the top five key drivers of experience, i.e. the areas that had the greatest influence on agents' overall views of the Unit. It also shows the proportion of customers that provided a positive response to this area of the Unit's performance.

Table 4.1: Top five key drivers of experiences of the Unit

Key Driver	Relative importance	Strongly agree	Slightly agree	AGREE
HNWU service is distinct from that of other parts of HMRC	%	20	47	36
Agree HNWU staff were professional in their dealings	%	15	58	36
Agree the HNWU dealt with the tax affairs of your client(s) fairly	%	14	43	44
Agree the HNWU has been consistent in the way it has dealt with the tax affairs of your client(s)	%	12	39	45
Agree staff in the HNWU had the technical knowledge they needed to deal with your clients' tax affairs	%	11	34	47

- 4.25 The key driver for agents' experience of the Unit relates to the perception that the Unit's service is distinct from other parts of HMRC. While the majority agreed that this was the case (83%), around half (47%) strongly agreed, suggesting there is some room for improvement. Staff's professionalism and the perception that the Unit dealt with the tax affairs of agents' clients fairly were also key drivers in agents' experience of the Unit.

Views on specific aspects of experiences of the High Net Worth Unit

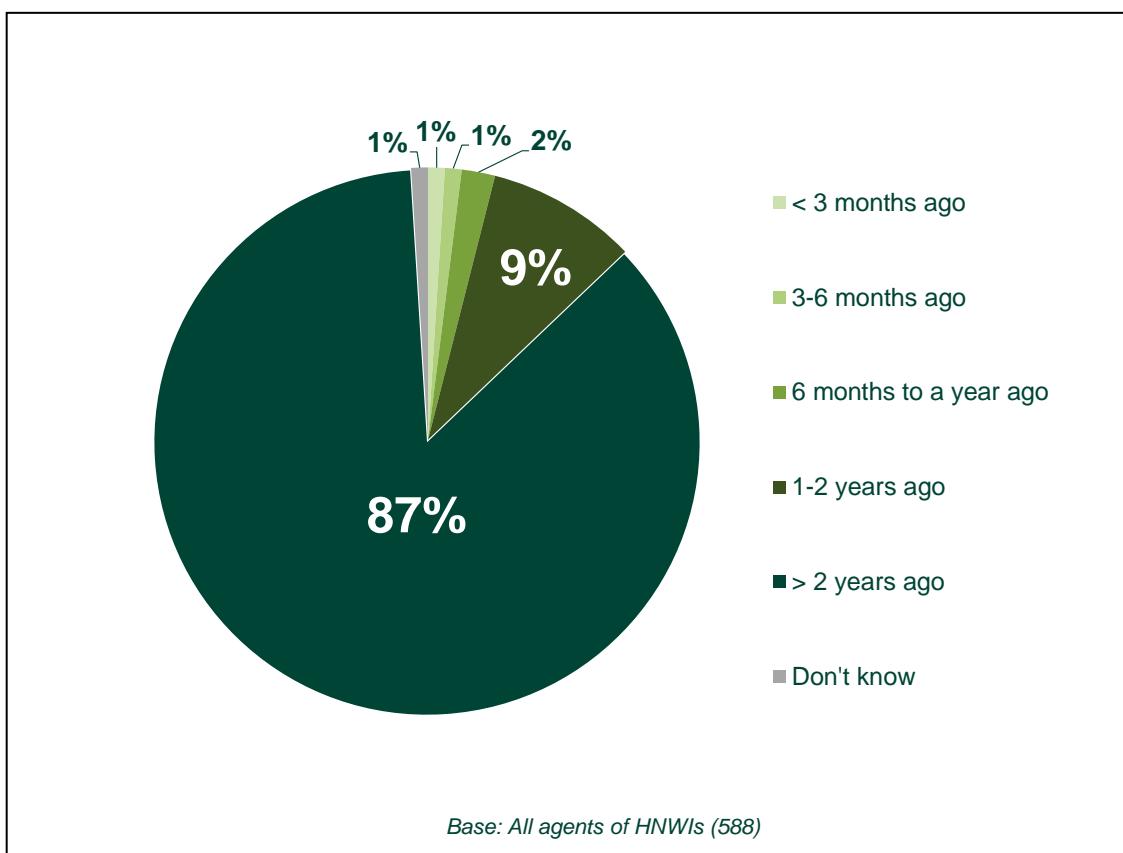
- 4.26 Agents were questioned about their views on specific aspects of their experience of the Unit. Generally, they reported being fairly satisfied with the speed of response from the Unit and the way their issue or query was dealt with by staff:
- 94% agreed that staff were professional in their dealings; 58% strongly agreed.
 - 84% agreed that it was easy to get in touch with staff in the Unit; 50% strongly agreed.
 - 81% agreed that staff had the technical knowledge they needed to deal with clients' tax affairs.
 - 80% agreed that staff responded within an appropriate timeframe – this in the context that the volume of enquiries is increasing.
 - 79% agreed that staff have a good understanding of the tax affairs of High Net Worth Individuals, a positive sign that it appears agents have been able to acquire and pass on the right information to the Unit.
 - 76% agreed that the Unit kept them well informed about their clients' tax affairs (up from 69% in 2011).
- 4.27 They were less positive in terms the transparency of the Unit's processes and its interaction with agents, although this showed no change from 2011:
- 83% agreed that staff at the Unit were willing to help them. This is down from 87% in 2011, although 3% of agents disagreed with this statement.
 - 73% agreed that staff had a sufficient level of authority to make decisions about their clients' tax affairs. This showed no increase from 2011.

- 57% agreed that the Unit appropriately consults with agents about issues that affect them and their clients. 15% disagreed with this statement.
- 45% agreed that the decision-making process of the Unit is transparent, although 12% disagreed. Two-fifths of agents said 'Neither agree nor disagree' (29%) or 'Don't know' (13%).

Awareness of the High Net Worth Unit

- 4.28 As might be expected given the length of time the Unit has now been established, all agents were aware of the HNWU prior to being asked to take part in the survey. As Figure 4.10 shows, the majority of agents (87%) first heard about the HNWU more than 2 years ago, while a further 9% first heard about the Unit 1-2 years ago.

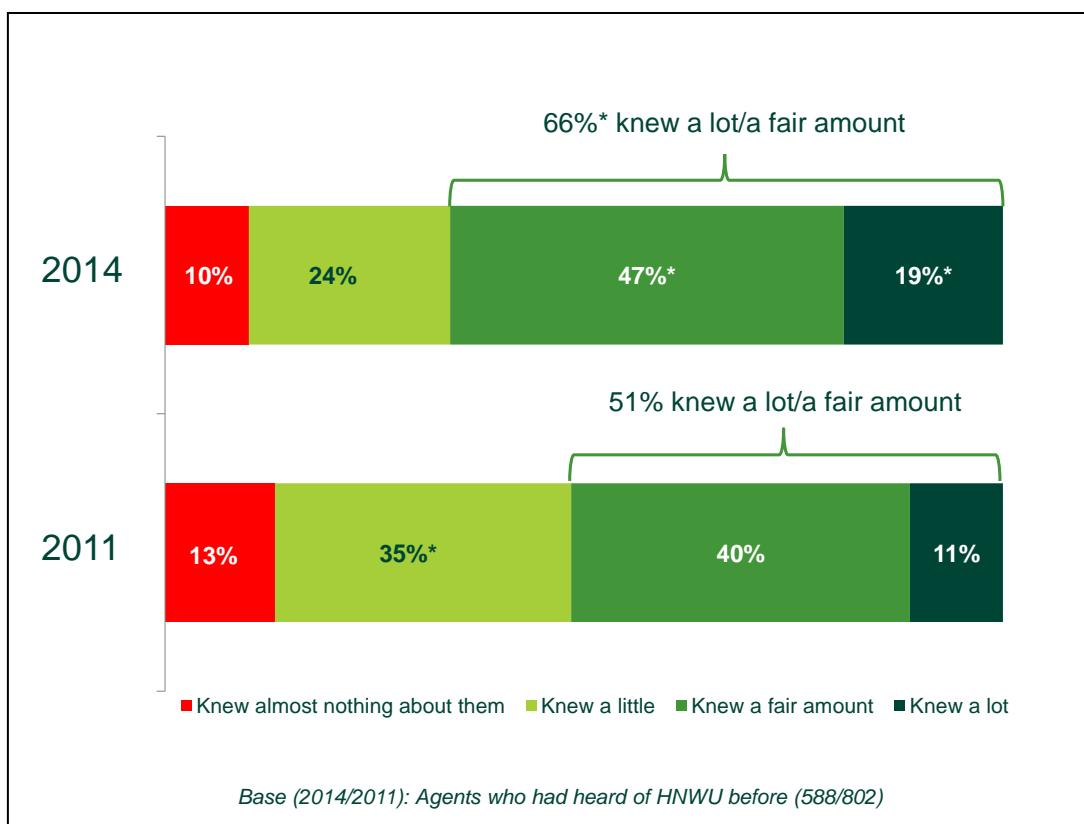
Figure 4.10: When agents first became aware of the existence of the Unit



- 4.29 All agents had some awareness of the Unit but the level of knowledge about what the HNWU does was far more varied. As Figure 4.11 illustrates, the majority of agents (66%) knew either a lot or a fair amount, a significant rise from the corresponding proportion in the 2011 survey (51%). The proportion who said they knew a lot about what the HNWU does also increased since 2011 (19% vs. 11%). However, around a quarter said they knew a little about what the Unit does, while a tenth (10%) said they knew almost nothing about them.

- 4.30 As might be expected, those agents who had more frequent dealings with the HNWU were more likely to know more about what the HNWU does; around four-fifths (83%) of those who had at least monthly contact with the Unit said they knew a lot or a fair amount about the Unit, compared with three-fifths (62%) who had contact less often. The nature of dealings also had an impact on perceived knowledge about the Unit; four-fifths (80%) of agents who considered their dealings with the Unit to be more complex said they knew a lot or a fair amount about what it does, falling to two-thirds (67%) amongst those who had dealings of moderate complexity and to three-fifths (58%) who perceived their dealings to be less complex.

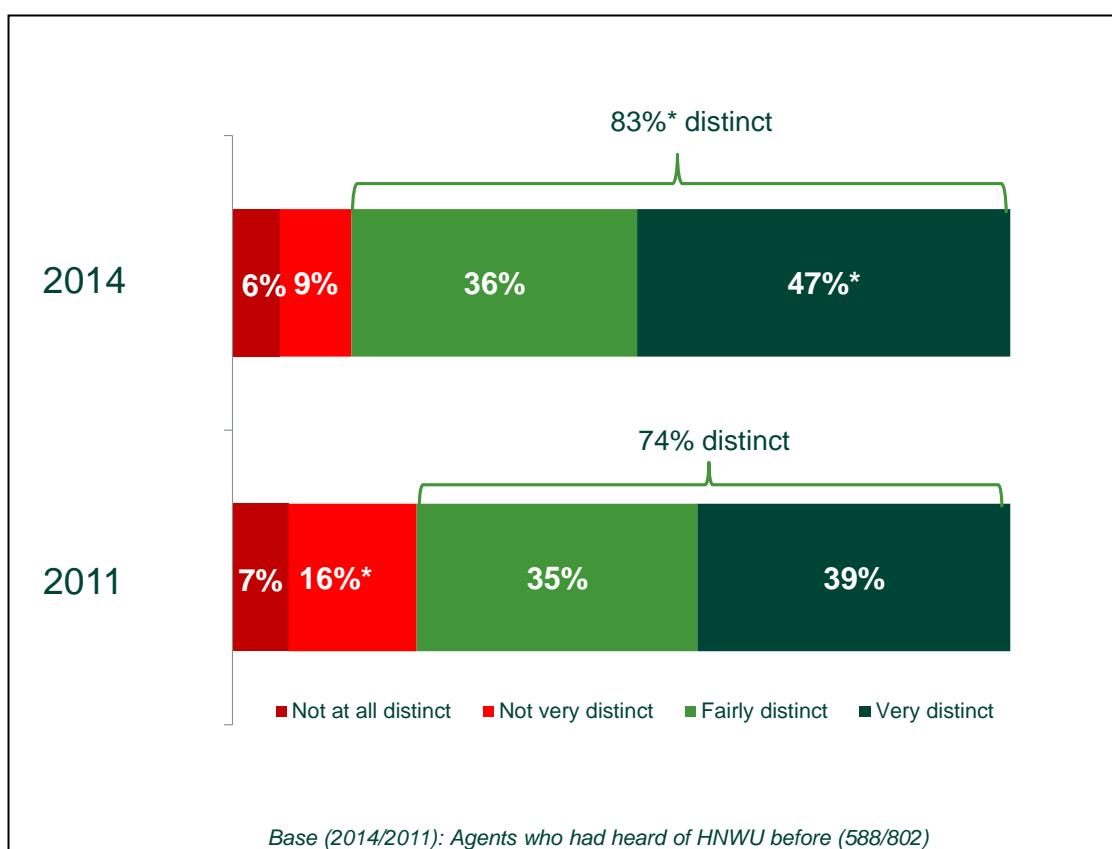
Figure 4.11: Knowledge and understanding about what the HNWU does



- 4.31 In addition, agents who received a more personalised service through a CRM were also more likely to know a lot or a fair amount (76%) about what the Unit does, as were those who said they had been kept well informed about their clients' tax affairs by HNWU staff (72%). Considering occupation differences, tax advisors were more likely than accountants to say they knew a lot or a fair amount about what the Unit does (68% vs. 60%).

Perceived distinction from other parts of HMRC

- 4.32 Agents were asked to what extent they feel the service received from the HNWU is distinct from that of other parts of HMRC. As Figure 4.12 illustrates, around four-fifths of agents (83%) said they perceived the service the HNWU provides to be distinct, representing a significant rise from the 2011 survey (74%). Furthermore, the proportion who perceived HNWU to have a 'very distinct' service rose to around half (47%, up from 39% in 2011), while fewer said the service was not distinct (15%, down from 23% in 2011).

Figure 4.12: Distinction of the HNWU from other parts of HMRC

- 4.33 Around nine in ten agents from sites with 100 or more employees (93%) and agents working with a higher volume of HNWIs (89% of those with 15 or more HNWIs) perceived the HNWU to be distinct. This perception was also more common amongst agents who:

- Had dealings with the Unit (85%, up to 89% amongst those who had dealings at least monthly);
- Had personal dealings with a CRM (92%);
- Felt they knew at least a little about what the HNWU does (87%);
- Felt they were kept well informed by HMRC staff (91%); and
- Felt their dealings with HMRC were complex (90%).

Contact with HMRC regarding High Net Worth Individuals

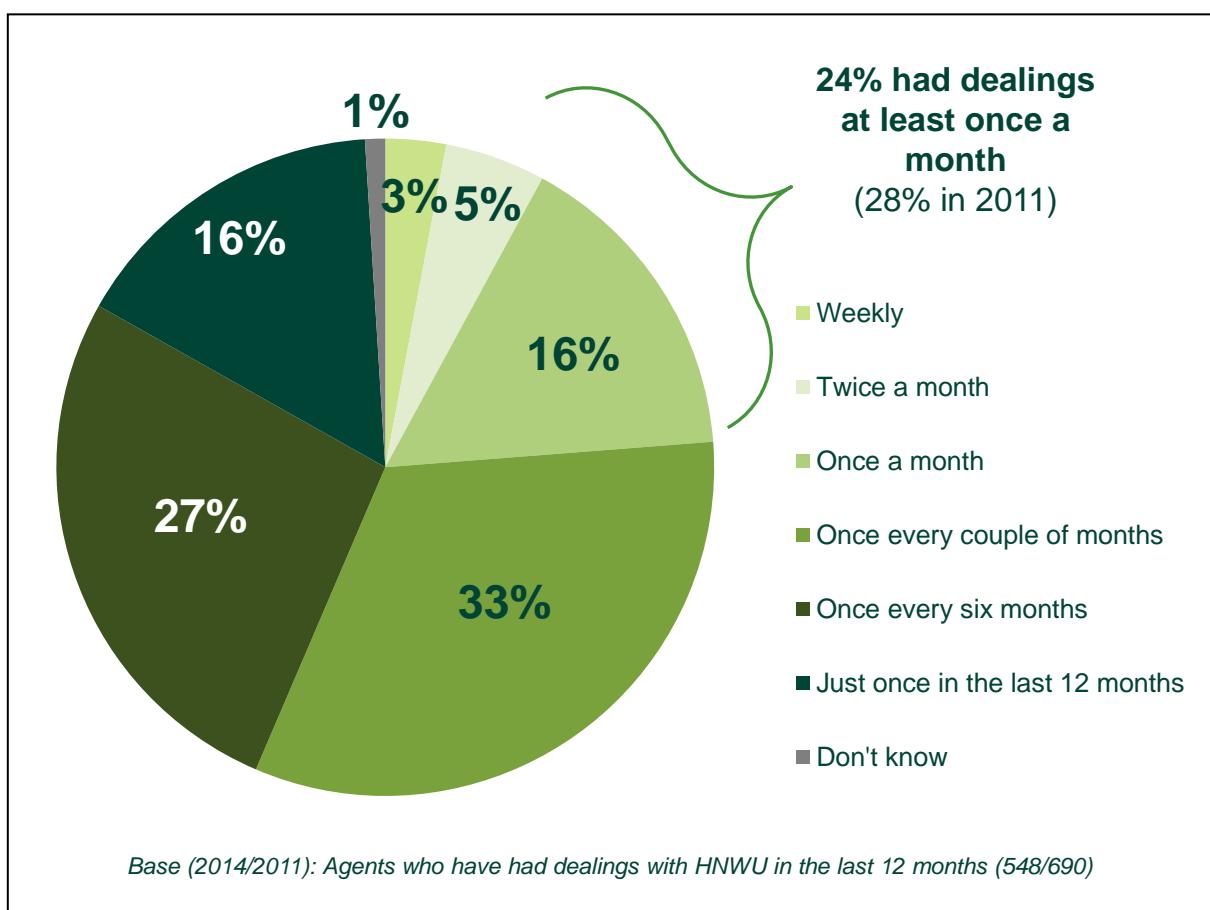
- 4.34 Asked about their approach to contacting HMRC regarding their HNWI clients, around a fifth of all agents (19%) said they would contact someone from the High Net Worth Unit. While this seems a low proportion it still represents a significant rise from the 12% of agents who said this in 2011. Furthermore, a higher proportion of agents reported contacting a CRM or team for that client compared with the previous wave (8% vs.3%).

Dealings with the High Net Worth Unit

Level and frequency of dealings

- 4.35 Around nine in ten (93%) agents who had heard of the HNWU before had had dealings with the Unit in the last 12 months.
- 4.36 Frequency of dealings was quite varied as illustrated in Figure 4.13. Most commonly agents reported having dealings with the Unit once every couple of months (33%), while a sizeable proportion also reported having contact every six months (27%). Overall, around a quarter (24%) reported having dealings with the Unit at least once a month. As might be expected, agents who considered their dealings to be more complex were more likely to have this level of contact with the HNWU (49%), while looking at occupation, tax advisors were more likely than accountants to have contact at least once a month (26% vs. 19%).

Figure 4.13: Frequency of agent dealings with the HNWU



- 4.37 The majority of agents were happy with the level of contact that they had with the Unit, while two-thirds (67%) said they would like the same level of contact in the next 12 months as they currently have with the Unit.
- 4.38 A tenth (10%) said they would prefer more contact with the HNWU, while one in five (20%) reported they would like less contact. This proportion was higher amongst agents from smaller sites (22% amongst sites with 1-99 employees) and sites with fewer HNWIs as clients (24% of sites with 1 to 14

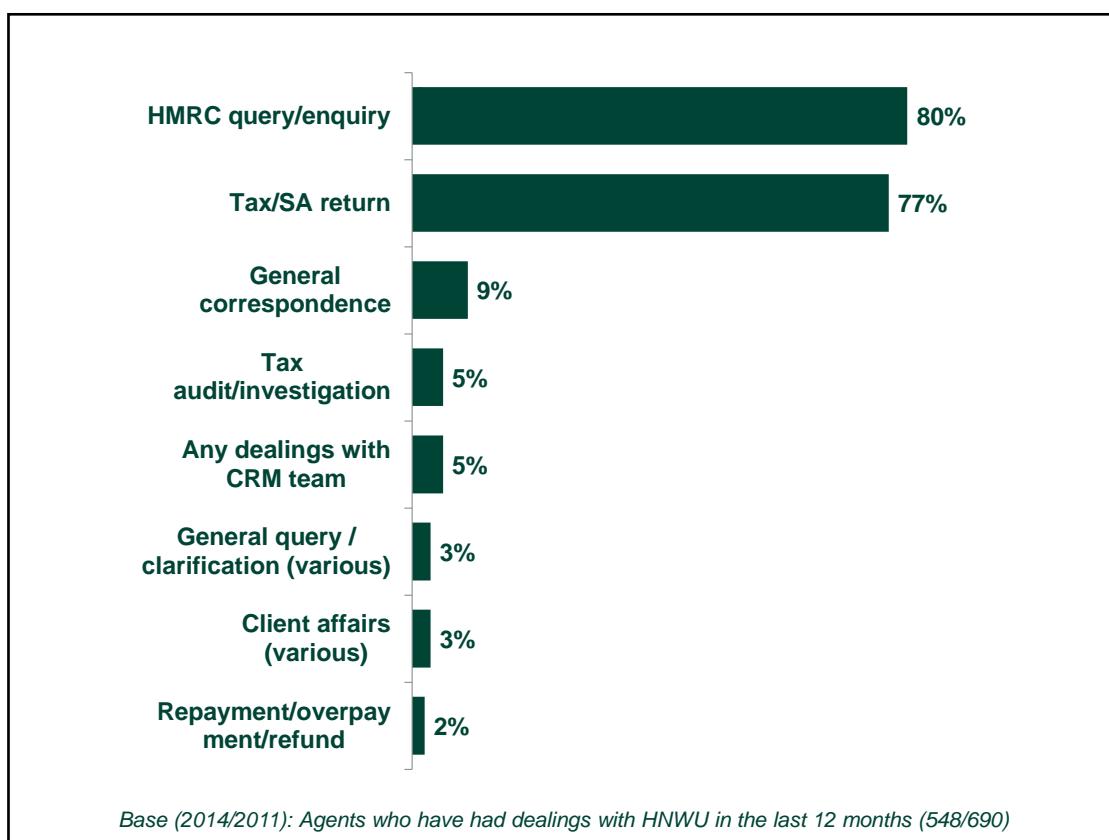
HNWIs), Nevertheless, some of those who had complex dealings, who one might expect would require more frequent contact, also said they would prefer less contact over the next 12 months (28%).

- 4.39 Agents who had aspects of their tax returns queried by the HNWU were also more likely than average to say they would prefer less contact with the Unit (26%).
- 4.40 Those with negative experiences of the Unit were far less likely to want the same level of contact (41% vs. 67% overall). One-fifth (21%) reported they would prefer more contact, while three in ten would prefer less contact over the next 12 months (31%).

Reasons for dealings with the High Net Worth Unit

- 4.41 As Figure 4.14 shows, the most common spontaneously mentioned reasons for dealing with the HNWU related to queries from HMRC (80%) and tax and self-assessment returns (77%), the latter a significant increase from the corresponding proportion in 2011 (64%). Those who had personal dealings with a CRM were more likely than average to have contact with the HNWU regarding a revenue enquiry (87%), as were those who had more frequent contact (98% of those who had dealings at least once a month) and more immediate forms of contact such as by email (93%), fax (92%) and telephone (85%).

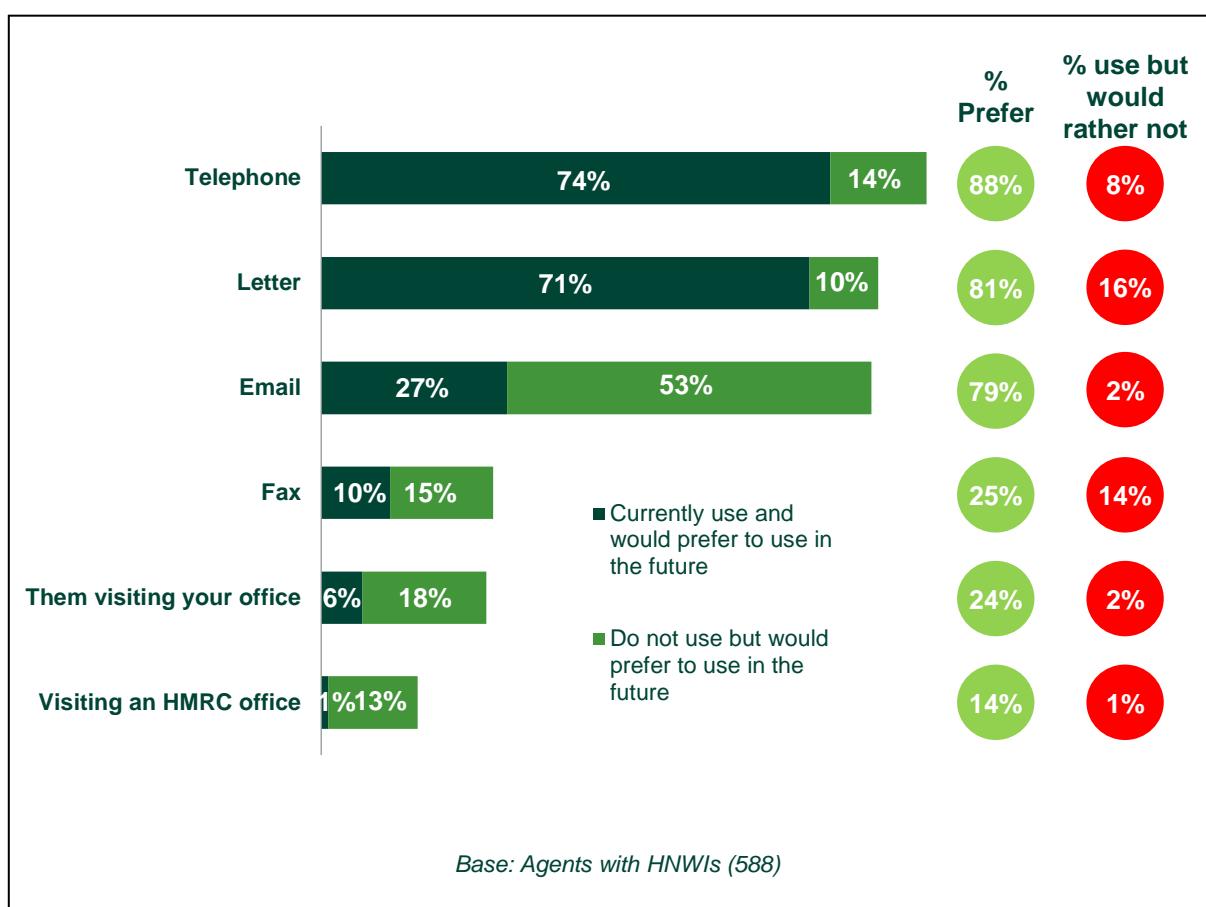
Figure 4.14: Reasons for dealings with the High Net Worth Unit



Channels of contact

- 4.42 By far the most common channels used in dealings with the HNWU in the last 12 months were letter (94%) and telephone (88%). A high proportion of agents said they would prefer these forms of contact (81% by letter and 88% by telephone).
- 4.43 Three in ten agents (30%) said they had contact with the HNWU via email, a higher proportion than in 2011 (20%). Findings show that there is a large desire by agents for more email contact. Including those who already have contact via email, four-fifths (79%) of all agents said they would prefer email contact in the future, while around half (53%) did not have contact with the HNWU by email but would prefer to do so in the future. Findings are illustrated in Figure 4.15.

Figure 4.15: Preferred channels of contact for dealing with the High Net Worth Unit



Who initiates dealings?

- 4.44 Around half of agents (54%) said that the HNWU tended to initiate dealings, higher than the proportion in 2011 (43%). There was also a substantial drop in the proportion of agents who said they tended to initiate dealings with the Unit; one in nine agents said this (11%), compared with around two-fifths (44%) in 2011. A third (34%) of agents felt there was a fairly even split in terms of who initiates contact, a rise from 13% in 2011.

- 4.45 Those who considered their dealings with the HNWU to be less complex (63%), working at smaller sites (57%) or with fewer HNW clients (58%) were more likely to say that the HNWU tended to initiate contact with them. Agents who had personal dealings with CRM were more likely to say there was a fairly even split in terms of who initiates contact, with around four-fifths (44%) reporting this, compared with a quarter (26%) of agents who did not have dealings with a CRM. Furthermore, those who had dealings by email or fax were also more likely to say there was a fairly even split in terms of who initiated contact (47% and 46% respectively).

Reasons for not dealing with the Unit

- 4.46 Only 40 of the agents interviewed had not had any dealings with the HNWU in the last 12 months with the most common reason for this being that they had no problems with their clients' tax affairs or any need to deal with the Unit (75%). A minority (5%) said they had not had dealings because the HNWU had not been in touch.

Dealings with Customer Relationship Manager

- 4.47 A common theme of this survey has been the importance of agents' relationships with their clients' Customer Relationship Manager (CRM) in improving their overall experience of the Unit. In line with the increase in dealings with the Unit, there was an increase in the proportion of agents who had personally dealt with their client's CRM, or a member of their team, in the last 12 months. While in 2011 37% had had personal dealings with their CRM, by 2014 this proportion had reached 45%. Such dealings were more common among agents who belonged to establishments that contained at least 10 agents of High Net Worth Individuals (63%).
- 4.48 Around nine in ten agents (91%) who had personal dealings with a CRM reported having a good experience of dealing with the Unit, compared with around four-fifths (79%) of those who did not have a CRM, demonstrating the importance of the CRM model to the Unit's operations.
- 4.49 Around four-fifths (83%) of those who had had dealings with their CRM reported having a good relationship with them (35% had a 'very good' relationship), indicating that where this relationship exists it appears to be working well. It is also positive to note that nearly all of those who had complex dealings (92%) reported having a good relationship with their CRM. 1% of agents reported a 'poor' relationship with their CRM and there was little difference between 2014 and 2011 despite their being a higher level of contact with CRMs.
- 4.50 Familiarity levels with the CRM and their team were not particularly high: 42% of those who had had dealings with their CRM reported that they knew them well, although this represented an improvement from 2011 (33%). Nevertheless, around half (56%) reported that they did not know their CRM well, and there does appear to be a correlation between familiarity with the CRM and the relationship too: 78% of agents who did not know their CRM well reported having a good relationship with them compared with 94% of those who felt they knew their CRM well.

Impact on compliance

Agents' perceptions of the HNWU approach to dealings generally

- 4.51 Agents were generally positive about the way the Unit dealt with the tax affairs of their clients, and there was minimal change in this regard from 2011.
- 4.52 The prevailing view among agents was that they were treated well and there was an equality to the process of the Unit dealing with enquiries and queries. The majority of agents (87%) agreed that the Unit dealt with their tax affairs fairly (43% strongly agreed), while a similar proportion agreed that the

Unit had been consistent in the way they had dealt with their tax affairs (84%). Meanwhile 81% agreed that they could trust the Unit to take a reasonable approach in their dealings with the tax affairs of their clients.

4.53 The indications are that most agents are also satisfied with the way in which staff from the Unit co-operate with them:

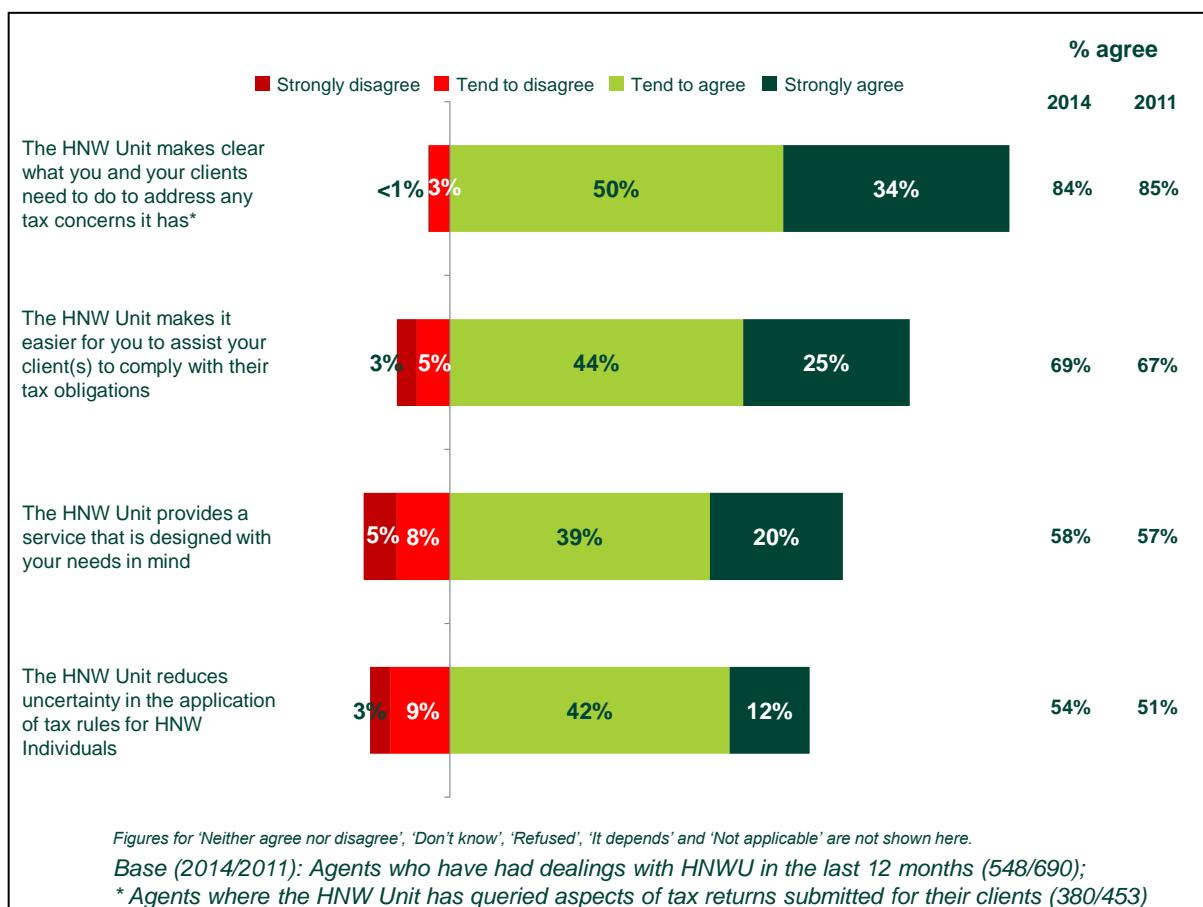
- 79% agreed that the Unit takes a co-operative approach when dealing with any tax concerns it has;
- 79% also agreed that the Unit had actively sought a co-operative relationship with them.

4.54 There appeared to be some uncertainty about how the Unit upholds the privacy of the High Net Worth individuals the agents represent. While 76% of agents agreed that the Unit upholds the privacy of their HNWIs, 14% reported that they were not sure.

Agents' perceptions of the impact of the Unit on their jobs

4.55 The majority of agents felt that the Unit made it clear what they and their clients needed to do to address any tax concerns (84%). There was however lower levels of agreement over other factors, such as the Unit reducing uncertainty in the application on tax rules, and the Unit ensuring their work enables agents to perform the tasks they need to do, as Figure 4.16 illustrates.

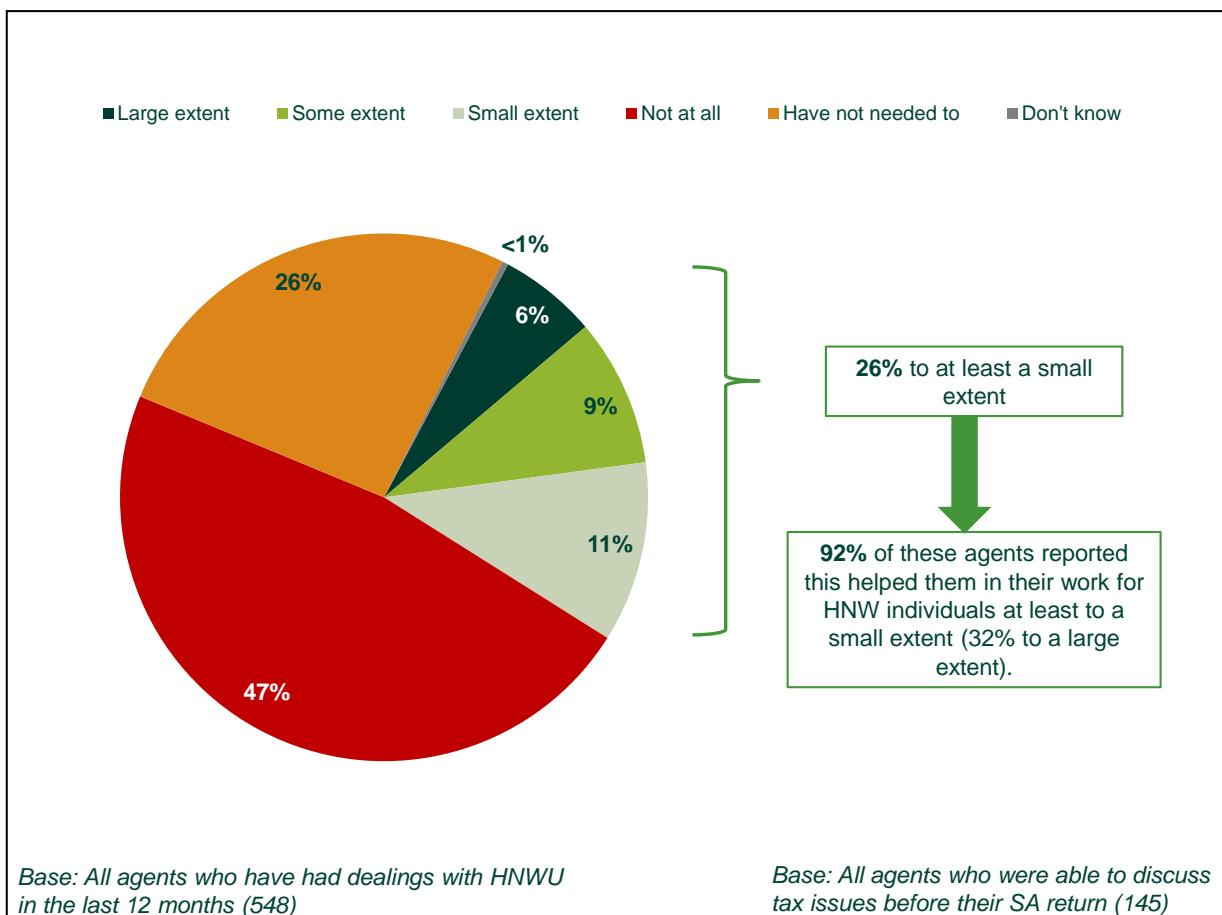
4.56 There was however no difference in agreement levels between those who had more complex dealings and those who had less, suggesting that a number of agents disagreeing with these latter areas simply think they do not require the services of the Unit to meet their needs.

Figure 4.16: Agents' perceptions of the impact of the Unit on their jobs

Level of informal contact with the Unit prior to filing tax returns

- 4.57 Agents appear to welcome the Unit's more informal initial approach when discussing tax issues and transactions prior to reporting these in the SA return. This ties in with the Unit's ambition to resolve potential issues before they arise once tax returns have been submitted. Around a quarter (26%) of agents who had had dealings with the Unit in the last 12 months reported that they had had such discussions, and the vast majority of these (92%) reported that this helped them in their work for their clients to at least a small extent (32% to a large extent).
- 4.58 Figure 4.17 illustrates these findings. They also show that around half (47%) felt that they had not been able to discuss issues at all with the Unit before filing tax returns, while 26% felt they had not needed to have these discussions. It is worth noting that the response "have not needed to" was unprompted (i.e. interviewers did not read this out as an option to agents). It is possible therefore that some of the agents saying "not at all" may also have felt they had not needed to discuss any issues.

Figure 4.17: The extent to which agents have been able to discuss tax issues and transactions before they need to be reported in the SA return



- 4.59 Those with more complex dealings were more likely to have been able to discuss tax issues and transactions initially (34% compared with 26% overall), but there was little other subgroup difference of note, and no indication that personal dealings with a CRM were more likely to lead to these sorts of discussions.

Dealings with other parts of HMRC

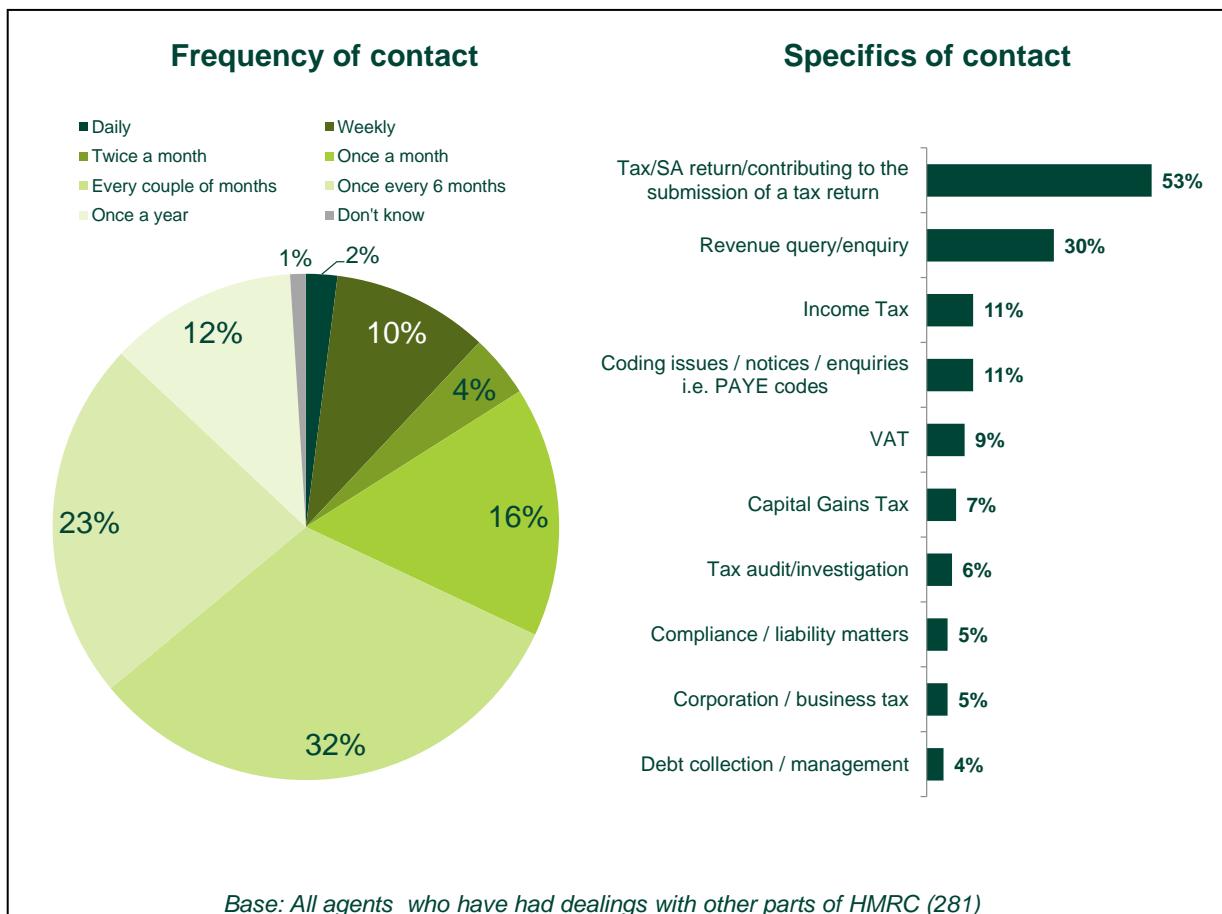
- 4.60 The survey also canvassed agents' views on their dealings with other parts of HMRC in relation to their High Net Worth clients, as the Unit is not necessarily their only point of contact for these individuals.

Frequency and type of contact with other parts of HMRC

- 4.61 Nearly half of agents (48%) had had dealings with other parts of HMRC in the last 12 months regarding their High Net Worth clients. This proportion was greater among:
- Agents who had had personal dealings with their clients' CRM (57%)
 - Agents who had had more frequent dealings with the Unit specifically (at least once a month; 60%), suggesting that those more engaged with the Unit were commonly those more engaged with HMRC as a whole.

- Agents who worked at sites representing 15 or more High Net Worth individuals (66%), suggesting the breadth of issues they might have to cater for required them to deal with other areas of HMRC.
- 4.62 Among those who had had dealings with other parts of HMRC, this frequency of contact was relatively low; around a third (35%) had only made contact once or twice in the last year. The most common reason for this contact was regarding a tax or SA return (53%), or sorting a revenue query (30%), as Figure 4.18 illustrates.

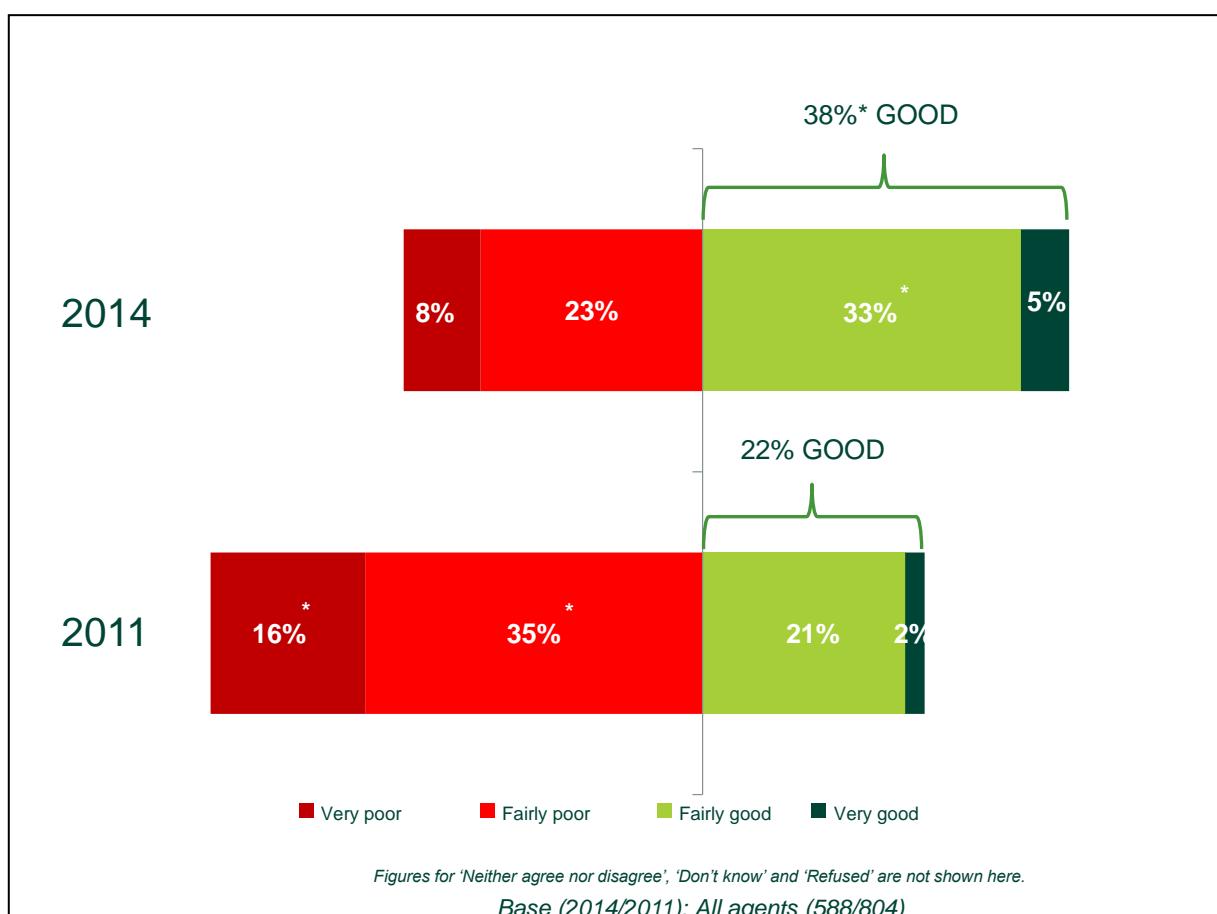
Figure 4.18: Frequency and specifics of contact with other parts of HMRC



- 4.63 Agents were asked how they decide who to contact at HMRC with regards their High Net Worth individuals. Two-fifths reported they use the contact details that appeared on letters (41%), 30% used the agent dedicated telephone numbers, while 19% contacted someone from the Unit itself, up from 12% in 2011. This emphasises the improving relationships and familiarity agents have with Unit staff. Additionally a higher proportion of agents than in 2011 reported that they would go directly to their clients' CRM (8% vs. 3%).

Relationship with the rest of HMRC

- 4.64 Agents were much more positive about their experience of the Unit than they were about HMRC. Around two-fifths (38%) reported having a 'good' relationship, compared with 85% who reported having a good relationship with the Unit. Nevertheless this relationship with the rest of HMRC appears to have improved considerably since 2011, as Figure 4.19 illustrates.

Figure 4.19: Rating of overall experience of HMRC as a whole

- 4.65 There were no differences here between those who had had good experiences of the Unit and those who had not, suggesting this is not a driving factor in the reasons for improvement in agents' rating of the rest of HMRC.
- 4.66 Agents were asked the extent to which they felt that the Unit was joined up with other parts of HMRC. While CRMs have a responsibility to co-ordinate the tax affairs of High Net Worth individuals across HMRC, there is a sense that the Unit being seen to be separate from HMRC would be of greater benefit for the Unit's relationship with agents, owing to the relatively low esteem with which the rest of HMRC is held. Around two-fifths of agents (39%) agreed that the Unit was joined up with other parts of HMRC, the same proportion as in 2011. Around one-fifth (22%) were not sure, highlighting the uncertainty around this area.

5 Conclusions

- 5.1 This survey sought to explore the experiences of agents of High Net Worth Individuals, building on findings from the previous wave conducted in 2011 and identifying how these experiences have changed over time.
- 5.2 Overall, findings were positive, with the majority of agents reporting good experiences of dealing with the HNWU (85%) and having a good overall relationship with them (84%). They were also more likely to report having positive experiences (61%) than negatives ones over the last 12 months (20%).
- 5.3 Since 2011, the Unit appears to have become more proactive in its dealings with agents; around half of agents (54%) reported that the HNWU tended to initiate dealings with them (43% reported this in 2011).
- 5.4 The majority of agents (67%) were also happy with the level of contact they had with the Unit, although a fifth reported that they would prefer less (20%). There is also evidence to suggest that agents would prefer making contact with the Unit through different means, with around half (53%) reporting that they would like to use email in future.
- 5.5 Key Drivers Analysis showed that the HNWU providing a service that was distinct from other parts of HMRC was the main driver of a positive overall experience. Other important drivers of positive customer experiences included the professionalism of HNWU staff and that these staff deal with agents' clients tax affairs fairly, consistently and demonstrate having the technical knowledge to deal with these tax affairs effectively.
- 5.6 More agents are having personal dealings with a CRM and it appears to be having a positive impact on overall experience; nine in ten agents (91%) who had personal dealings with a CRM reported having a good experience of dealing with the Unit, compared with around four-fifths (79%) of those who did not have a CRM, demonstrating the importance of the CRM model.
- 5.7 Overall, the research has shown that agents are satisfied with the High Net Worth Unit, with the majority of agents positive towards all aspects of the Unit's work. Findings have remained consistent with the 2011 survey, in which there were also high levels of satisfaction.
- 5.8 While there were few changes from the 2011 survey, differences that did exist tended to be positive; agents were more likely to have a good overall relationship (84% vs. 78%), while they were more aware about what the Unit does (66% vs. 51%). Furthermore, there are positive signs for the future uptake of the HNWU service, with agents more likely to recommend the Unit now than they were in 2011.