

## **Understanding the Customer**

## **Research brief**

***Usability Testing***

***(customer requirements to support In-year Finalisation of Tax Credits)***

**February 2015**

Background, previous research, additional reading

After the end of each tax year, around 4 million customers have to finalise their Tax Credits award and most of these also renew their claim for the current year. From April 2013, DWP started to accept a very limited number of claims to Universal Credit (UC) and these customers are not entitled to Tax Credits for the same period. The numbers moving to Universal Credit have steadily increased but remain very low. This will change over the next few years as DWP open up the UC gateway to more geographical areas and for a broader range of personal circumstances.

Until October 2014, customers moving to UC were still required to wait until after the end of the tax year to finalise their part year award. The notes products TC603RD and TC603R were sent to these customers as part of their renewal pack in the same way as for customers not moving to UC. From October 2014, HMRC introduced a process whereby (most) customers moving to UC would be required to in-year finalise their Tax Credits award, rather than waiting until after the end of the year. This allowed customers to have, as far as possible, a 'clean break' from Tax Credits.

To support them with this process, the ‘reply required’ in-year finalisation pack includes a notes product - the TC603URD - to help customers check the information played back to them for the part-year, tell us about any changes that need to be taken into account and to report their income for the part-year. The ‘no reply required’ pack includes a notes product - the TC603UR - to help customers check the information, but if there are no changes, they are not required to make a declaration and we would also wish to avoid unnecessary, low-value contact.

The circumstances and income details to be reported can be complex and so the 'notes' products need to be sufficiently detailed to cover such circumstances, but must also minimise the potential for customers to become diverted or confused by content that is not relevant to them personally.

If the content is unclear or confusing, the customer is likely to make contact with us via more costly and time consuming channels.

Ipsos Mori were engaged within an existing call-off contract to carry out usability testing with customers on two successive versions of the 2015 Renewal notes. We would now like to engage you to carry out qualitative research with Tax Credit claimants to assess the effectiveness of the TC603URD and TC603UR notes. This research for the In-Year finalisation notes is likely to follow a similar structure and requirements as the previous tests.

There are, however, additional complexities in what we are asking customers to do. Explaining these in the notes in a way that is easy for the customer to understand presents additional challenges. In essence, customers are required to check and declare their income for the part-year period, at a time when the evidence normally used to help them do this after the year end, is not available.

Where the research identifies the notes to be ineffective or insufficient to provide customers with clear guidance on how to finalise their award in-year, we require you to make recommendations for resolving the problems identified.

There will be no facility for customers to use an online channel to finalise their award in-year.

The TC603URD/UR notes are being redesigned to support customers through the in-year finalisation process from August 2015. The current versions omit guidance on some of the areas we now need to include, directing customers to call our helpline for further information. We aim for customers to be able to complete the process with the minimum of confusion, inaccuracy and low value contact and we expect this qualitative research to help us ensure that the products achieve that aim.

There is currently very little specific guidance on GOV.uk to help customers with in-year finalisation, and we plan to address that as part of our project to improve guidance for customers. The notes will refer to web content for further information, which may not be currently available and is not included in this research.

You may, however, wish to use the following sources to fully understand the background to what we will be asking customers to do:

[Universal Credit and tax credits - Publications - GOV.UK](https://www.gov.uk/government/publications/universal-credit-and-tax-credits)

[Stopping tax credits « Transition to universal credit « Tax Credits « Revenue Benefits](http://www.revenuebenefits.org.uk/tax-credits/transition-to-universal-credit/stopping-tax-credits/)

Overarching business objective/need

**In-year Finalisation Pack - TC603URD and TC603UR notes**

* + - * To understand if these notes products meet the needs of the customer. If not, what needs to change?
* Are customers encouraged to use the notes when they are unsure, rather than ring us straight away?
* Are customers encouraged to go online to finalise their award?
* Are the notes clear and understandable?

Where the research identifies the notes to be ineffective or insufficient in providing customers with clear guidance on how to complete the finalisation of their award, we require recommendations for resolving the problems identified. We require the agency to probe for which areas/sections/topics present difficulties for customers and to present suggestions/proposals as to how the content can be clarified.

Research Objectives

To test the new guidance notes with a range of tax credits customers, to determine whether they might prove effective in driving the desired behaviour.

**Some more detail on the sorts of questions you think you would like to ask**

We need answers to the following questions:

* Does the customer understand what they are being asked to do? Can the customer understand which sections are appropriate to them and which are not?
* For each that are appropriate, do they understand what information is being replayed, what is required and where they can find the information they need?
* Some background information on their experience of renewals in previous years, pre-existing knowledge/understanding and whether their circumstances have changed will probably be needed in order to determine the extent to which they are drawing on the notes for their knowledge and understanding.

Language and Tone

* Are our proposed messages clear? If not, which parts are harder for the audience to understand?
* How important is language and tone?

Logistics re Length & Content

* How long should the notes be?
* What should relevant parts of the notes say to make them ‘standout’?
* How can we make them most visibly enticing?
* How useful is the use of bold and underlined text in drawing the customer’s attention to the action they need to take?
* Do the notes contain clear sign-posting for help and support?

**Stimulus/Background documents**

These are the items that will be included in the renewals pack.

For customers required to reply:

* TC603URD notes - for customer testing with individuals and focus group
* TC603URR – renewals letter with instructions on the renewals process. This includes customer information known to HMRC which is played back to the customer to check
* TC603UD – declaration form. The customer is required to provide details of their income for the award period

For customers not required to reply:

* TC603UR notes – for customer testing in the focus group
* TC603UR - renewals letter with step by step instructions on the renewals process. This includes customer information known to HMRC which is played back to the customer to check

Proposed Methodology

We envisage the testing to follow the previous format to:

* Conduct depth interviews with individuals which will focus on the detailed content of the TC603RD notes, as it relates to each customer. This will need to be based on extracts of guidance as the completed notes product will not be available in time.
* Conduct a focus group to test the effectiveness of the visual/prompt/nudge effects the of the TC603RD and TC603R notes in helping customers to take the desired actions.

**Sampling**

A cross section of Tax Credit customers (self-employed, employees (with/without employment benefits) childcare, so that as far as possible, all the sections which are specific to in-year finalisation are tested with customers to whom they are relevant.

Given the time constraints we will not be providing a sampling dataset but we’d like to try and cover a cross-section of customers, generally aligning with the sections of the TC603URD being tested.

Other issues that may have an impact on this project

The main constraint is the tight timescale required to deliver this research in order that the findings can inform essential changes to the products and for fieldwork to be completed outside the purdah period.

What we need from you – the deliverables

**Project Deliverables**

* Screening criteria/questions
* Discussion guide design
* Weekly progress reports
* PowerPoint slides of Topline Findings
* Face to Face debrief meeting

In addition, as part of our publication process, we require a publishable version of the research findings that will be published on the HMRC website. A standard template and guidance will be provided.

Our project timeline

The timings given below are indicative and I understand that the proposal document will include more detailed timings for consideration.

***Budget***

We are not able to disclose exact budget information. Please provide a cost for the project design set out above and set out alternatives if you feel these would better meet the research objectives.

We have provided the following table to give you a rough idea of the budget on this particular project. We are not able to provide any further detail and the exact budget could fall at any point inside the range selected.

Costs must include travel and other expenses, broken down separately. Costs should include all fees and expenses but exclude VAT.

General Terms and conditions

On receipt of a satisfactory proposal, the successful research agency will be awarded a fixed price contract for the project. The Standard Conditions of Contract governing research commissions are laid down by the MR130001 framework agreement and are not negotiable. HMRC observes the general practice of paying only for work satisfactorily completed. All work should comply with the Code of Conduct of the Market Research Society. The Standard Conditions of Contract are available on request.

Payment terms have been negotiated to split as follows on most projects (however there will always be exceptions – which we will do our best to cater for)

30% on commission

30% on Fieldwork commencement

40% on completion

When costing proposals it would be helpful to ensure we can see these key stages clearly.

Some key elements of our standard terms are below:

Contractual obligations

As a result of government policy to achieve greater transparency in public procurement and help deliver improved value for money, HMRC is obliged to publish tender documents for all contracts with a whole life value of over £10,000. There is a further obligation to publish all contracts with a whole life value of over £10,000 with effect from January 2011. It is a condition of bidding for this work that applicants accept these obligations and agree to the subsequent publication of the contract once awarded.

Data handling

In most cases, any data we supply will be encrypted, probably using the highest encryption used by Winzip v9 or above. It is your responsibility to ensure appropriate steps are taken to ensure you are able to receive and decrypt our data.

We also require confirmation at appropriate times of the deletion of customer records from both removable and fixed media within your organisation.

Please note that HMRC does not permit the use of USB sticks and so all electronic versions should be provided on CD.

Once appointed, you should agree with your HMRC contact what security rating any data or documentation you produce should have and how it subsequently should be handled.

As part of our standard data handling requirements, as part of your proposal we will require details of your plan to receive, store and use any data that we may supply to you. In most cases the data we supply to you will contain customers’ personal details and we need to be sure that you will treat this data appropriately.

This should include precise details of the data handling and security procedures you have in place. In particular, please detail how, once we have delivered the data to you, how you will transfer and store it and who in your organisation will be able to access it. You should also detail your processes for archival of and/or destroying the data that has been finished with. As an example this should include, what systems you have that are accessible from the internet, how access to the information is managed, and details of how your data servers are backed-up and maintained.

If you have supplied current information, this does not need to be provided again.

Documentation

HMRC will require the publishable report delivered in both pdf and word formats. The pdf document should include the file size as part of the filename.

In addition, HMRC will require draft copies of all key documents, such as recruitment questionnaires, presentation charts, top line and final report. These are to be submitted in sufficient time for comments to be incorporated into the final version and for our approval to be given for production of the final version to take place.

***NB ‘Personal’, ‘Confidential’ and ‘Commercial’ sensitive information has been redacted according to the provisions in the FOI Act (sections 40, 41 & 42).***