

Departmental response to the Adjudicator's Office 2019 annual report

The Adjudicator's Office published its [annual report](#) in June 2019. The report sets out a number of recommendations based on insight from investigated complaints, topical reports, thematic reports and real-time tracking that was conducted in 2018 to 2019.

In July, the Financial Secretary to the Treasury's Written Ministerial Statement on HMRC Powers and Customer Safeguards confirmed the department's commitment to provide a published response to the report. This is provided below in relation to the 5 over-arching themes that emerged from the annual report.

Learning from complaints

The annual report emphasised the need for the department (HMRC and its executive agency, the Valuation Office Agency (VOA)), not only to recognise and promote the importance of learning from complaints, but also to use that insight to inform the way it responds to complaints and to bring about transformative as well as transactional change.

Over the past year HMRC has taken a number of steps to respond effectively to the Adjudicator's feedback. A Complaints Insight Board was established in July in recognition of the need to address strategic issues arising from complaints more effectively and embed learning from complaints. Both the Adjudicator and Head of Office are independent members of the board. The board has already helped raise the visibility and promote the importance of learning from complaints.

The Adjudicator also attends the Customer Experience Committee (a subcommittee of HMRC's Board) and the committee has given its advice on how to best use complaints insight.

HMRC has existing processes to promote and utilise learning from complaints, such as monthly insight reports and bulletins disseminated to frontline staff. However, HMRC will conduct a deep dive exercise to assure and, if needed, improve further the use of insight from customer complaints that are not escalated to the Adjudicator. The assurance will be completed and any new approach established by September 2020.

Culture

The Adjudicator emphasised the need for a cultural shift within HMRC, so that there is a greater focus on taking a customer-centred approach alongside recognition of the importance of good complaint handling. In particular, the

Adjudicator emphasised that HMRC should: (a) develop a greater appreciation of the need to prioritise the customer experience; (b) ensure customers and complaints are handled with empathy and accuracy; and (c) provide greater encouragement for HMRC's people to take ownership for errors.

HMRC already has a number of programmes in place to support staff in being customer-focused – for example, the 'Walking in the Customer's Shoes' programme. It is also making modifications to guidance and continuous improvement to the language and tone of correspondence. In addition, HMRC has undertaken a number of actions to support customers who need extra support. These include Customer Compliance Group establishing an Extra Support service for compliance checks, which builds on arrangements already in place within Customer Services Group.

HMRC's Customer Services Group is exploring a new approach for complaints handling, and Customer Compliance Group is carrying out a programme of work focused on professionalism and improving customer experience. This includes refreshing HMRC's professional standards for compliance work as well as a number of operational improvements to the management of casework.

The Customer Experience Committee is currently overseeing the review of the Customer Charter, which sets out what customers can expect from HMRC.

HMRC expects that these programmes of work will help bring about the desired shift in organisational culture.

Complaints handling

The annual report highlights 2 high level issues for improving the way HMRC handles complaints. These are: (a) the need to take a holistic view of a customer's concerns by providing HMRC staff with the skills and flexibility to resolve issues at the first point of contact; and (b) digitising the complaint handling process

HMRC is currently developing a new operating model for complaint handling which aims to ensure complaints are identified and resolved at the first opportunity across HMRC. This builds on findings from performance data, insight from customers, Adjudicator Office feedback, as well as a comprehensive end-to-end review of the complaints process. The main objective is to streamline existing processes to improve the customer experience and ensure the right outcome for the customer is achieved as quickly as possible. The design phase and staff training have been completed with the pilot expected to run through early 2020.

HMRC has also made progress on ensuring there is digital access to the Adjudicator. In the summer the Adjudicator's Office website went live on GOV.UK providing clear signposting to customers on when and how to escalate complaints. HMRC has also developed a secure digital channel to allow customers to contact the Adjudicator's Office by email. This service launched in January 2020.

The annual report highlighted a number of issues related to specific topics

for HMRC consideration, many of which were the subject of topical and thematic reports such as the NHS Widening Access Scheme, the transition from tax credits to Universal Credit, and treatment of delays.

Over the last year, HMRC has responded to feedback on these issues by: (a) updating and disseminating guidance; (b) providing training; and (c) conducting deep dives to understand issues better and use the findings to make operational improvements.

HMRC has also made steps to demonstrate improved decision-making in response to the learning that the Adjudicator offers through using the Customer Insight Board to better monitor actions and learning.

Collaborative working

The annual report noted that ways of working between HMRC and the Adjudicator's Office have developed over the past 2 years. This is partly through the publication of the Service Level Agreement, which clarified the roles and responsibilities of the Adjudicator's Office, alongside the establishment of HMRC's Customer Experience Committee in December 2018, and more recently the Complaints Insight Board. All of which have provided opportunities for HMRC and the Adjudicator to build relationships and work collaboratively together on improving the customer experience and complaints handling.

To capitalise on these opportunities, HMRC has reviewed the effectiveness of its governance arrangements in relation to complaints insight, to ensure there is effective internal oversight of complaints and assurance to senior officials. Membership of the Complaints Insight Board has also been extended to VOA to enable all key stakeholders to participate in strategic decision-making in relation to complaints. VOA will also work more closely with HMRC on many of the actions mentioned in this response, in relation to its customer complaints.