

CASE STUDY



Driver & Vehicle
Licensing
Agency

Swift.
Straightforward.
Successful.

Target provides DVLA award-winning
Direct Debit solution for vehicle
tax payments



Target

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In just eighteen weeks, Target Group designed and implemented a solution that enables consumers to pay their vehicle tax by Direct Debit. Two years on, the service has been used by more than 10 million drivers and has collected over £2.9bn in total and as much as £135m in a single day.

Reliable as well as popular, it has been an important element of DVLA's ongoing "Simpler, Better, Safer" strategy and helped DVLA increase its digital take-up. In 2016, Target Group won a new contract to continue to manage the system for a further two years.

Simple, quick and efficient: since the DVLA launched its online vehicle tax renewal service in 2006, it has become recognised as an exemplar amongst public sector web services – and helped position DVLA as pioneers of government digital transformation. By 2015, the DVLA reported it had processed more than 160 million online renewals and taken over £22 billion in Vehicle Excise Duty payments.¹

Designed and delivered in 18 weeks

In the Autumn Statement of 2013, the then Chancellor of the Exchequer George Osborne announced the introduction of a new option to pay vehicle tax by Direct Debit – and set a very public deadline for the launch of the service: 1 October 2014.

That left less than a year for procurement, design and implementation, so it was not until May 2014 that Target Group, working as part of a consortium with IBM, was engaged to deliver the service.

Target Group spent the first few weeks gathering the full requirements, which included not only the main

public-facing web pages but also a web service for the Post Office, to enable Direct Debits to be set up at the counter, and a contact centre system so that agents can help customers solve any issues.

Behind the scenes, the Target solution had to manage the set-up of each Direct Debit mandate in line with the necessarily strict regulations, interface with BACS and banking systems and provide a complete payment schedule – all in a matter of seconds, to maintain the high usability standards the DVLA had set for itself. It also had to be bilingual, working in English and Welsh.

The requirements were formally agreed by DVLA in early July; two weeks later, the prototype solution was approved. "We were hugely impressed by how quickly Target turned the agreed specification into a working prototype" recalls Keith McDonald, Senior Delivery Manager at DVLA. "Lots of diverse systems and functionality had to connect, but the design Target produced made that all appear straightforward to the user."

The next few weeks saw robust testing of both the customer experience and back-office processing system, ensuring it could operate at the speed and scale required. At the same time, Target trained the contact centre agents on the new solution and provided guidance for Post Office counter staff.

"We knew we were operating to incredibly tight schedules and an immovable deadline" states Michelle Billing, Product Manager. "The Target team seemed unphased: they were wholly professional and pragmatic throughout the process."

10 million users

Just 18 weeks after Target was brought in, the solution went live, on schedule. It had been heavily publicised and was promptly met by huge demand. However, the Direct Debit processing itself worked smoothly from day one – and has continued to do so ever since. The initial contract stipulated 99.5% uptime; month on month, Target has delivered this and more.

¹ <https://dvladigital.blog.gov.uk/2015/07/20/improving-our-online-vehicle-tax-service/>

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Keith McDonald, Senior Delivery Manager, DVLA

The reliability of the solution, added to its simplicity from the user perspective, has meant Direct Debit has become a preferred payment method for over 10 million vehicle licences. Customers can choose monthly, six-monthly or annual payments; over 80% of service users have opted to pay monthly and spread the costs.

The DVLA's Direct Debit collection service is now one of the largest in the country in terms of both the number of customers and the volume of money involved. In 2016, more than £135m was collected in a single day. Customer satisfaction with the service has been consistently high, helping DVLA maintain overall satisfaction with vehicle tax transactions above its target of 95%. The service also regularly receives unsolicited positive feedback for its usability and simplicity.

“From the user perspective, Direct Debit has been a major success for us,” confirms Rohan Gye, Vehicles Service Manager, DVLA. “We want to make paying vehicle tax for motorists as simple and convenient as possible in a way that suits them. With the support of Target's payment services we are pleased to be able to offer millions of motorists an additional choice of paying vehicle tax by Direct Debit in annual, six monthly or monthly instalments.”

Savings and satisfaction

As well as the benefits to customers, the service has also helped the DVLA meet other financial and strategic targets such as increasing digital take-up.

Target has continued to work closely with the DVLA to optimise the service. For example, in response to customer feedback, Target has introduced additional assurances for users that they have successfully taxed their vehicle when the Direct Debit mandate is accepted and renewed annually.

Steps like this were crucial to helping Target bid successfully via G-Cloud to continue as the DVLA's Direct Debit partner in 2016. As part of its bid, Target identified further enhancements to the auto-renewal process and bank reconciliation – both of which are in line with DVLA's ongoing strategy to simplify the process for consumers.

That combination of innovation and service helped the solution win Best Online Payments Solution (Consumer) at the 2016 Payments Awards – a great industry recognition for a swift, straightforward and successful service.

“The Target team seemed unphased: they were wholly professional and pragmatic throughout the process.”

Michelle Billing, Product Manager, DVLA

The Facts

CHALLENGE

Launch a new facility for customers to pay their car tax by Direct Debit – in just 18 weeks to meet a commitment made by the Chancellor.

SOLUTION

A secure online system interfacing with BACS, plus a counter solution for the Post Office and a support service for the contact centre.

RESULTS

- **10 million customers now pay by Direct Debit**
- **£2.9bn worth of Direct Debits collected over 2 years – including £135m on a single day in 2016**
- **24x7x365 service availability**
- **Very high levels of customer satisfaction**
- **Key achievement in DVLA's digital transformation strategy**



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About DVLA

The Driver and Vehicle Licensing Agency (DVLA) is an Executive Agency of the Department for Transport (DfT). DVLA holds over 45 million driver records and over 39 million vehicle records and is responsible for collecting around £6 billion a year in Vehicle Excise Duty (VED).



Target

About Target

Target Group is a leading provider of Business Process Outsourcing (BPO) and software solutions for over 50 major financial institutions across the globe, including clients such as Goldman Sachs, Morgan Stanley, Credit Suisse, Barclays and Shawbrook Bank.

Our leading fintech platform manages assets in excess of £24 billion, enabling our clients to automate complex critical processing, servicing and administration of loans, as well as investments and insurance. We deliver competitive advantage and enable scalable growth. Alongside BPO and software solutions, Target leverages deep domain expertise to advise on process improvement, due diligence, and regulatory compliance.

Target systems currently process over 19 million accounts and collect £3billion of direct debit payments each year on behalf of both private and public sector clients.

For further information about Target Group, please visit www.targetgroup.com or call us on **0845 6506200**