

Half the deficit could be paid for by tax havens

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The Institute for Fiscal Studies has said it that it thinks there may be a deficit of £39 billion in the UK budget as a result of the financial crisis — a cost of £1,250 per annum for each family.

I haven't checked the numbers, but will take them at face value for now.

What I do know is that half of this could be paid for by tackling tax havens. I estimate they cost the UK at least £18.5 billion a year — and that excludes the loss on stamp duty.

This is why the G20 was important. Even if the OECD delivers little the mood has changed for good. Tax havens are not now outside the sightlines — governments all over the world will rightly see them as the source of revenue they need — revenue currently stolen from them by those with the greatest capacity to pay tax.

Domestic measures will end tax havens — and will build the progressive taxation systems we need to create tax justice, a fairer society, and a greener world.

And people will not tolerate a bill of £39 billion when they could pay just half that. Which is why change is inevitable.