

Cayman: far from a stable environment

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I wrote yesterday about [the article](#) I have in the [Cayman Financial Review](#). When doing so I said:

Tony Travers of the Cayman Islands .. is currently tramping round the world arguing Cayman is a stable, transparent, tax neutral jurisdiction — all of which I dispute.

My article dealt with the transparency issue.

Now David Leigh in the Guardian has, conveniently, [summarised the reason](#) for my concern about stability:

Britain controls the Caymans, via governor Stuart Jack, and subsidises the island's budget by licensing thousands of offshore companies, many involving tax avoidance schemes. But the stability of the territory is now under question, thanks largely to personality clashes between the people trusted with running its legal system.

The Cayman Islands have three judges in a court structure that mimics that of the UK. But in recent months, all three have turned on each other in bitter quarrels. One judge was arrested and had his house searched, another attempted to have critics prosecuted, and the third has been suspended, accused of spreading lurid gossip about the other two.

This is an ongoing saga. But a place where the lawyers are in such dispute that the rule of law is in doubt is no place to hold your money. Only the back-up of the UK is keeping Cayman afloat.

And let's ask the obvious questions: why do we and why should we do that when it is so clear that Cayman dramatically harms the well-being of the UK. Might I mention Barclays in support of my case?

I do hope [Michael Foot is radical](#), but I've met him and I have my doubts.