

Jersey and Guernsey VAT scams undermine the UK's future

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Sometimes I wonder why I allow comments on this blog: so many commentators promote abusive ideas or simply seek to abuse the hassle quite often seems to outweigh the benefit. Then along comes comments, like [the one I've already referred to this morning](#), [or this one](#) on the fundamental problems VAT abuse through Jersey and Guernsey causes to UK small businesses, and I realise providing a voice can be worthwhile:

The whole Jersey scam makes me mad. Very simply, I am losing money..!

I sell manufacturer own ink cartridges. "I can get those cheaper on the internet" is a common cry. When compared against mainland based retailers, my customers tend to see the error of their ways finding that I am indeed cheap and pay up!

But then there are the customers who have found the sites in the channel islands.

I was horrified to find a particular item that I was selling on my shelf for £12.85 is available for £10.90 on the web site that my customer buys his inks from. Do the maths... yes, that is the same price as I am selling it without VAT!!! How can I compete when there is a built in 17.5% discount The on-line retailer doesn't even have to begin to be competitive. That particular customer could be worth £400 turnover each quarter to me on cartridges alone - not to mention the lost revenue to the public purse!

This loop hole MUST be closed. We cannot compete.

I recently had a letter from HMRC after I complained to my MP. In this letter, they stated that the VAT office are "monitoring the situation" ..

I'm monitoring my P & L!

Gary,

Thame, Oxfordshire

All I can offer is best wishes to Gary — and the hope that this government might listen more than the last did on this issue.

If you want to let me know what response you et Gary I'd be happy to share it with a bigger audience.