

Project Merlin and tax - another empty promise

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The [tax clauses of the Project Merlin](#) greement with the banks say:

2. 1. The four banks have committed to abide by HMRC's new UK Code of Practice on Taxation for Banks, requiring compliance with both the spirit and the letter of the tax law.

2.2 A public statement of their expectation to contribute a cumulative £8 billion of total tax take (covering direct and indirect sources, including the Bank Levy and VAT) in 2010 and, on the same basis, £10 billion in 2011.

2.3 Each bank's tax payment expectations, as set out above, will be subject to the economic environment and its profitability. The banks expect that their overall tax contribution to HMRC / HMT will grow as performance strengthens and profits grow; as an indication, they expect they could contribute a cumulative total tax take over the 5-year implementation period for the Spending Review actions (spanning the period 2011 to 2015) that is a significant multiple of the 2010 figure noted above.

Hang on....the total UK current tax bills of the four for which I can easily get data (I haven't got Santander) was about £960 million (allowing for translation of currencies). So where does £8 billion come from? Surely we're not including PAYE, are we? Is the Treasury that daft?

What are these taxes they're going to pay? How will we know they have? Who will check the numbers? And can we have [country-by-country reporting](#) to prove it please?

Right now this is just another empty promise.