Article URL

Published: January 12, 2026, 6:55 pm

The Guardian's editorial today seems worth noting in full.

Apologists for abuse and those who just want to abuse need not comment.

The reality is that there is abuse - against the shareholder, the ordinary employee, small business, society, government, the population at large. And some at least recognise it:

There was a time when the concept of tax justice might have been one to interest serious vicars and brown-bread socialists. But times change. Activists operating under the banner UK Uncut have taken to occupying stores whose owners and bosses have been avoiding tax. Today they move on to the organisation of a "bail-in" of Barclays branches, setting up schools, forests and libraries within the banks — an agitprop gesture to highlight the link between threatened services and the financiers that activists reckon could save them by paying their fair share.

It is a simple equation, and may not be an easy one for Whitehall to implement. But the Guardian's Tax Gap series meticulously documented squillions of pounds in avoidance, establishing beyond doubt that the seepage of revenue was on a scale that constituted a pressing public concern. Fixing the leaks may not save every last swimming pool, but it could make a big difference. Barclays is an iconic case for making the point, seeing as bankers' determination to minimise their contribution to public funds is matched by the lavishness of the benefits they have enjoyed at public expense.

Barclays did not, it is true, sell shares directly to HM Treasury during the great crash, preferring to punt them at the Qatari authorities instead. Nonetheless, it has benefited from all manner of subsidies and guarantees, whose total value to the sector the Bank of England estimatesto have been worth more than £100bn in 2009. Like most of the banks, Barclays would be deep in the dustbin of history were it not for this state support. Two years on, taxpayers stare on in disbelief as Barclays' investment banking arm pushes up average pay — that's right, average — to £236,000, and chief executive Bob Diamond is rumoured to be in line for a £9m bonus.

Up in front of disgruntled MPs last month, Mr Diamond suggested that much of the bounty would trickle down for the common good. He pointed out, accurately, that Barclays had handed £2bn to the Revenue last year, a figure that sounds respectable enough in the context of pre-tax profits of £6.1bn for 2010. What he did not point out, but we have now gleaned thanks to some forensic digging by the impressive young MP Chuka Umunna, is that just £113m of that £2bn was corporation tax, a 2% drop in the ocean of the company's global profits. The rest was paid through other levies which scarcely touched profits and were largely paid by employees.

The banks might maintain that it does not much matter who pays the tax, so long as it gets paid. It is after all not so much financial corporations as their senior staff who have been taking us for a ride. Only yesterday a Financial Times analysis suggested bankers' pay was squeezing shareholders, particularly at Barclays. And perhaps it is indeed as a result of their own greed that managers are forced to scramble so frenetically to reduce corporate tax. Not even Barclays would pretend that its mind-boggling structure — with 30 subsidiaries in the Isle of Man, 38 in Jersey and 181 in the Cayman Islands — is unconnected with tax. There is still the technocratic argument that the only thing that can pay a tax in the end is a person, so we should not worry about how much is stumped up from behind the corporate veil. But this case simply collapses when companies routinely reshape themselves to avoid tax in a manner which no mere human taxpayer could match.

It was the high priest of free markets, Adam Smith, who warned that joint stock companies encourage negligence. Limited liability is a terrific privilege for which companies ought to expect to contribute generously to the community's coffers. Many fail to do so, including banks that have only recently drawn heavily on a common resource. Whatever the spin, they are coming to be seen — in another of Smith's phrases — as "a conspiracy against the public".

Quite so.

That's what we have got.

And that's what we need to deal with.