

# The Channel Islands' VAT abuse just goes on and on

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From [the Telegraph](#):

*Under the noses of HMRC and through a scheme administered on their behalf by the Channel Islands Postal Authorities, mail order goods bought from online retailers are being posted to UK customers in packages showing postage costs at 50 times the standard price, while the goods inside are stated as costing only a fraction of their actual retail price.*

*By reducing the product price to below £18 and shifting the difference onto the cost of postage, which is exempt from VAT, products regardless of their original price become eligible for Low Value Consignment Relief (LVCR) and enter the UK without a VAT charge.*

*Telegraph Expat has seen a Jiffy bag containing a 16GB flash card arrive from Flash\_Memory, a Channel Islands mail order company with labelling that shows a false postage cost of £22 and a false product cost of £17.99.*

*According to official figures from Jersey Post, the Jiffy bag in which it arrived should have cost no more than 50p to send.*

I stress: those are their words re costs.

But if they're right - and they reproduce the invoice on their site - then the evidence of abuse of the Channel Islands for VAT purposes is growing by the day.

And note who is meant to regulate this for HMRC - the Channel Islands themselves.

Well that was never going to happen.

And the evidence that it's not doing so looks to be strong.