

Tax avoidance impoverishes the vulnerable and is morally...

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Yesterday the Methodist Church called on the UK government and multinational businesses to end tax avoidance schemes which impoverish the vulnerable. It claims that as public services are being cut, the injustice of tax avoidance is becoming more acute.

The Methodist Conference heard that the Treasury admits to not collecting a record high of £42 billion in tax in the latest available figures. But independent analysts estimate the amount of lost tax to be much higher at £120 billion. The poorest 10% pay a much greater proportion of their income to the Government in tax than the wealthiest tenth (46% compared to 34%).

“Having a team of expensive lawyers doesn’t absolve you of the moral responsibility to pay a fair level of tax,” said Paul Morrison, Public Issues Policy Adviser. “Taxation shouldn’t be a game of strategy where you win by paying the least. Paying tax is a moral obligation — it is unacceptable to engage in complex financial arrangements in order to wriggle out of paying your fair share.”

Britain’s 20 largest companies between them operate a vast network of over 1,000 offshore companies, potentially allowing the companies and their clients to avoid huge sums in tax.

The Methodist Church is adding its voice to the ever-growing number of organisations demanding tax justice and is supporting Christian Aid’s tax campaign, which calls on the Government to end tax haven secrecy. The campaign also argues that multinational companies should be required to publish financial information such as the profits they make and the taxes they pay for each country in which they operate.

The Church is also supporting [Church Action on Poverty](#)’s ‘Close the Gap’ campaign, which highlights the impact of the ‘Tax Gap’ in the UK.

“Every pound avoided in tax is a pound less to spend on childcare, social care, health or education,” said Niall Cooper, National Coordinator of Church Action on Poverty. “At a

time when spending cuts are having a real and damaging impact on the lives of some of the poorest and most vulnerable people in the country, it is morally indefensible for some of Britain's richest companies to be avoiding paying their fair share of UK taxes."

The report, entitled [Of Equal Value: Poverty and Inequality in the UK](#), adopted by the Conference, also asks all Methodists to examine their own practices to ensure they pay all the taxes they owe, both legally and morally.

I'm delighted to have made a small input into this process and warmly welcome this move by the Methodists.