

Too many tax haven firms winning government contracts

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More than half of the private companies winning Government contracts have subsidiaries in tax havens, [a report shows](#).

Out of the 20 biggest companies being awarded public service contracts, 13 have subsidiaries in places usually used to minimise tax bills, according to the report by [Ethical Consumer magazine](#).

Tim Hunt, the report's co-author, said: "At a time when the Government is implementing the biggest cuts to public spending in living memory, the Government should demand that companies being awarded contracts should not be allowed to also make use of tax havens."

Justin Bowden, national officer of the GMB union, said: "The still ongoing fiasco at Southern Cross showed the world what can happen to both taxpayers' money and those dependent on public services - like the elderly and vulnerable - when public services are left to unregulated businesses hidden behind offshore tax havens.

"These services shouldn't be hived off in the first place, and they certainly shouldn't be hived off to any company not resident in the UK and not paying its proper share of tax to the UK Government."

Richard Murphy, from the Tax Justice Network, said: "These findings are troubling, but seem to form part of a pattern that now appears deliberate.

"We're seeing taxpayers' money now being captured by private corporations who are using it for the benefit of a few in society at a cost to the great many ordinary people who're paying the price through reduced services, benefits and even healthcare, and all at the cost of increased tax."

Caroline Lucas MP, the leader of the Green Party, said: "It is completely unacceptable that the Government is paying no regard to the social and environmental records of the companies who are being awarded contracts to run our public services, and it completely undermines their rhetoric about aspiring to be the greenest Government."

The report surveyed 20 of the biggest companies being awarded Government contracts. The list of companies surveyed was compiled from information provided by the union Unison and the Cabinet Office.