

Are Vodafone being just a little defensive?

Published: January 19, 2026, 5:31 pm

As [I've mentioned](#), the Parliamentary Accounts Committee is reporting on HMRC tomorrow - focusing in no small part on its deal with Vodafone. Yesterday [in the Telegraph](#) Vodafone put in a pre-emptive response, saying:

“The Vodafone/HMRC settlement was focused on some of the most complex tax legislation anywhere in the world. It involved nine years of legal argument through two independent UK tax authority appeals, three court cases — before the European Court of Justice, the UK High Court and Court of Appeal — followed by an application to the UK Supreme Court.” He said this was then followed by “a full and rigorous six-month technical and legal review by HMRC”, leading to the final £1.25bn settlement. “Vodafone has no unpaid tax bill in the UK and those who claim otherwise do so without any foundation whatsoever.”

Now of course the last statement is true: the matter has been settled by negotiation and no one is saying anything else. But the Vodafone statement is a little light on detail. First, Vodafone lost the case. They paid £1.25 billion. They paid because they had sought to avoid tax and did not in the end do so.

Second, the statement doesn't note that Vodafone fought this for nine years and lost. Indeed, as I understand it at the time of settlement Vodafone's application for permission to appeal to the House of Lords (or Supreme Court) following HMRC's victory in the Court of Appeal had been rejected. That's how emphatically HMRC was winning the case.

Third, there seems to be no recognition of that fact that despite this meaning that Vodafone had no further right of appeal a strange deal was done. Now nothing suggests impropriety on Vodafone's part as a result. I stress that. But it sure as heck suggests something very odd at HMRC, and that's the focus for the attention. That and the fact that, without doubt, Vodafone were trying to avoid tax. Which makes you wonder why they're so coy at admitting it when they seem to think it's their duty to shareholders to do so.

