

## People wonder how HMRC don't spot tax avoidance

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People are wondering how HMRC haven't spotted the tax avoidance at the Student Loan Company.

Let me explain why. It's because HMRC deny there is such a thing as tax avoidance. I have shown [it may be £25 billion a year](#). And that tax [evasion may be £70 billion a year](#). The latter [accords with World Bank data, as I have shown](#).

But [HMRC persist in arguing](#) that tax avoidance is only a couple of billion a year and that tax evasion is half or less of my estimate - even claiming there is almost no problem with moonlighters and ghosts in the economy to reach their conclusion.

Well their data is wrong. It's not just wrong - I believe it is fraudulently wrong: if you start your estimate from tax returns submitted ignoring the fact that tax evaders don't submit tax returns of course you knowingly get the wrong answer, and that's just what HMRC bosses demanded their data do to make their own case for their efficiency look better and the case for cutting staff to keep their bosses happy look stronger.

But of course, if you can choose to ignore tax avoidance in your own data you can also ignore it when it stares you in the face. And that's what they've also done. Which is why HMRC is in the mess it's in and why we end up with a tax system that lets the top paid off their tax liabilities. And only strong leadership at HMRC will change that. I have little confidence we're going to get it.