

# The Channel Islands lose another tax case - their VAT a...

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As the [Telegraph reports](#):

*The Channel Islands have lost their judicial review against the end of Low Value Consignment Relief (LVCR). The hearing lasted three days in London and critics say the ruling puts thousands of jobs in Jersey and Guernsey at risk. As of April 1, internet mail order goods from the Channel Islands will no longer be VAT exempt.*

That's £100 million (or much more) of tax loss to the UK economy closed off. As the Telegraph also noted:

*In today's court hearing, the legal team representing the UK said it was a problem the government felt it had to address, given the scale of the industry and the value of the tax they feel is being avoided. Lawyers for Jersey and Guernsey argued that abolition would be unlawful and lead to devastating consequences for their economy.*

Not half as devastating as the cost to the UK has been.

Or as devastating as the cost of the tax abuse that these islands promote has been on the poor nations of the world - where Christian Aid estimate 1,000 children a die as a result of tax haven abuse and lost medical services.

*David Vaughan QC, on behalf of Jersey, said there were fears that the legislation might lead "to the whole trade leaving and going to Switzerland or some other place" outside the EU.*

Then we'll stop them too. The precedent has been set.

*Jersey's economic development minister Alan Maclean said he was extremely disappointed by the court's decision and was considering a further appeal.*

*"The changes, which are targeted against the Channel Islands alone, create an uneven*

*playing field," he said. "We know that some businesses will find it difficult to compete under these circumstances and as such, jobs are likely to be lost. This will be a very difficult time for hundreds of islanders who are involved in the fulfilment industry."*

He never showed such care for the thousands who lost their jobs in the UK.

Nor does he care about promoting wholly artificial tax avoidance to undermine democracy. I spy crocodile tears.

But the hero of the hour was, as it has always been on this issue Richard Allen, who has campaigned tirelessly on this issue and who said: said:

*While we of course have sympathy for the effect on employment in the Channel Islands that the closure of this industry will have, it is for the people of the islands to strongly question their elected representatives as to how they could possibly allow an industry that was based on the abuse of tax to become so important to the Islands' economy.*

They could ask that of finance as well.

But that's another campaign won, for good.