

Some companies will tax avoid however extreme the behav.

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It was always pretty absurd that goods were chipped from the UK to the Channel Islands just to be shipped back again, all to avoid VAT. That, [the cost to the UK High Street](#) and the loss it gave rise to of at least £130 million a year to the UK, [was enough to have the Channel Islands' VAT abuse closed](#) in April this year.

Now, as the Guardian reports today, the abuse is beginning again. And quite absurdly, this time the goods are going to the UA to be shipped bank. [As they report](#):

*The Guardian has seen evidence that The Hut — which last year saw sales jump almost 70% to £142m — has closed its warehouse in Guernsey only to shift some operations to a site outside Chicago. This follows the chancellor's decision to remove low-value consignment relief (LVCR) from products shipped via the Channel Islands.*

*Since Osborne's crackdown, which came into force in April, The Hut has even bought goods from suppliers, several in Britain, before sending them on a 7,000-mile round trip to the US before they reach customers in Britain. Shipments have included products, such as games and DVDs, which carry an age recommendation from the British Board of Film Classification, raising questions about why The Hut should ever choose to hold this stock in the US.*

*Such convoluted arrangements mean The Hut does not have to charge VAT to UK customers buying goods for less than £15, the threshold under which LVCR applies.*

*Asked what might be the commercial purpose of sending goods on a circular journey via the US, The Hut said in a statement that its delivery process "prioritises speed of order and customer service".*

*It added: "We operate a global consolidated stock system mirroring that of many of our e-commerce peers. This allows us to fulfil orders based on immediate stock availability across all of our warehouses. As a result, stock held in the UK fulfils both UK and international orders and similarly, stock held in the US fulfils both US, UK and international orders, with availability of stock the determining factor."*

*The company said goods representing only 13% of total revenue had been shipped from the US so far this year, while 30% of sales were to customers outside Britain.*

This is, politely, a ludicrous claim by them. The goods sold into the UK from the US have no use in the US market: they're not US age ranked and many are incompatible with US formats. The only reason for the goods to be in the US is to avoid tax.

It's another assault on the UK tax system, the UK economy and the livelihoods of ordinary people in this country.

The apologists will, of course, say it's all legal so what's the problem? Morality, ethics well being of the majority, the survival of the state, the role of democracy and the rule of law do all pass these people by. But that is what these assaults represent.

A John Lewis chief executive, Andy Street has said:

*Our customers expect a fair and level playing field and I suspect our customers do think [all] companies should be treated in the same way.*

If international tax law does not achieve that it is now acceptable to say we have no choice in the matter: it is time to change that law. And I think the willingness to do that can be created.

What I can say with certainty is that we're in deep trouble if it is not possible: trouble deep enough to threaten the very survival of society in the long term since it cannot be sustained without tax and if an elite can opt out, and have their companies opt out society is not viable.