

NPower's defence for tax avoidance is ridiculous: why c...

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I am not amused by Npower's defence [for tax avoiding](#), which I have accused them of this morning. [They say in The Sun](#):

Despite the tax dodge, npower insists it has done "nothing wrong" and HM Revenue & Customs was "aware of everything".

MPs were already angry with Npower after its boss Paul Massara admitted two weeks ago the firm hadn't paid corporation tax for three years.

He blamed its huge investment in wind farms – which gets a tax credit.

He then told a select committee the firm borrowed some cash from its German parent RWE but insisted it was "standard business practice". There was no mention of Scaris.

Last night npower said: "HMRC are aware of everything here and still class us as a low-risk company. It's sad to see this continued harrying of a company like ours that has invested billions into the UK."

I'm also aware Npower have said I think all payments of interest are tax avoidance. What nonsense; of course they're not. If this was paid straight to a bank I could not argue. But it isn't. This is a domestic arrangement. It's like a husband borrowing from his wife and paying it through the children to get a tax break on the way. Let's not pretend for a minute it's the same as a commercial deal.

That does not mean what they're doing is illegal. It isn't, of course. It's just they're doing something they say is not tax avoidance. [Two weeks ago they were saying this](#):

A spokesman for RWE npower last night said: "This is in no way tax avoidance, and all of our business is taxable in the UK. We've not paid corporation tax because we've been investing hundreds of millions to keep the UK's lights on."

The company pointed out it does pay "substantial employment and property taxes".

And that wasn't true. They are avoiding. And that costs us all. And the pretend we should be grateful for the fact that they are dumping on us extra taxes or NHS cuts is not just disingenuous, it is plain straightforwardly ethically wrong.

And that's what this story is about.

Npower has to stop using tax havens.

And Npower needs to publish accounts that tell us what it is really doing in the UK, and it isn't right now.

Those are reasonable demands. [Please support them](#) by signing the 38 Degrees petition.