Funding the Future

Npower's excuses for its tax avoidance don't stack

Published: January 13, 2026, 6:47 pm

Npower has come up with some responses to this morning's news that it's avoiding tax using a Maltese shell company. On its web site it says:

npower statement on 38 Degrees report (30.04.13)

"This report doesn't add anything new. We've done nothing wrong and HMRC are aware of everything here and they 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.

"The use of Malta made no difference to our UK tax contributions and we've not used this route since last year.

"The number of informed commentators who have defended our tax position in the last two weeks, shows that this criticism is flawed."

These are my responses to that:

1) Yes it does add something new. The suggestion as to the amount of tax lost is undoubtedly new. As is the detail on the Malta link.

2) Sure you've done nothing wrong. We never said you had.

3) Can you please prove the claim made about HMRC?

4) Why does it make no difference to your UK tax contribution? If the share capital invested in Malta had instead been invested here Npower would have paid tax in the UK, so it's just not true that it makes no difference to the UK tax paid.

5) Why do you no longer use the Malta route?

8) How do we know you no longer use Malta?

7) What are you doing instead? Where is money being borrowed from now?

8) When will we see accounts to prove this?

9) Can we please have the names of these informed tax commentators?

And then they're trying another tack in the media. Take this ***from the Channel 4 web site:***

A spokesman for RWE npower confirmed it worked with the Malta company "for a couple of years" until 2011, adding: "I can categorically state that this makes no difference to our UK tax situation."

This also needs explanation:

1) What do you mean "worked with". You owned it within RWE. There's no working with in that case - this is a wholly owned arrangement. Can you explain the words used in that case?

2) What does a couple of years mean when it was at least four?

3) How can this mean there was no impact on the UK tax position? Of course it impacted UK tax - relief was claimed for the expense. Can you explain?

4) Is it your excuse that you can't be accused of UK tax avoidance because you were actually avoiding tax in Germany?

Answers would be welcome - and would be published.

UPDATE 14.30

The Npower website has been updated and the following has now been put up to replace the comment noted above:

npower statement on 38 Degrees report (30.04.13)

npower CEO Paul Massara said: "The use of Malta in making payments on our financing made no difference to our UK tax contributions."

"The current campaign against npower is asking us to stop the use of this financing route, something we did last year."

"npower has not, and will not, engage in tax avoidance. Our corporation tax bill was low between 2009 — 2011 because we made losses in our retail business and invested billions into the UK." (ENDS)

1) Please prove this - and how you can say so.

2) Prove it, and why?

3) What was this then? And why did you stop it then?