

Google - economical with the truth? Surely not?

Published: January 15, 2026, 9:50 am

Many will be familiar by now with the Google tax story. If you're not, [I've written an ebook on it, available here](#). As I explain there, the essence of Google's claim is simply. Despite the fact that they have large numbers of staff in the UK whose job it is to 'market' Google's advertising they say they sell nothing. The claim made by Google is, as was [said by one of its senior managers to the Public Accounts Committee last December](#), they sell nothing in the UK. All the sales made to UK customers are from Ireland and the UK staff, it is said, have nothing to do with them even though they considerably outnumber the Irish sales team.

The claim is vital. What Google says as a result of suing this structure is that the Google UK operation merely services the Irish operation that makes all the sales. So the UK operation gets a small commission on the total value of the sales it sends Ireland's way and it so happens almost no tax is paid on that. And it so happens that hundreds of millions of potential profit in the UK are lost to the sight of HMRC as a result, as I have argued since 2008.

That's always seemed incredible. It's even more incredible that HMRC have believed it. But they have.

And now Tom Bergin at Reuters, the man who brought us Starbucks, has done some more digging and given real reason to doubt the Google story. You have to [read the whole story](#) to get the feeling for the scale of his allegations. But amongst the things he's found are Google UK advertising for sales staff - which is odd when they don't sell. And staff having sales quotas. Which is also odd when they don't sell. And he finds there are dedicated support teams in the UK for the big customers - which looks like selling to anyone who knows anything about sales.

What Tom's saying is that he does not believe Google's claims. He thinks there is a permanent establishment of the Irish operation in the UK. And if there was it would then be subject to UK tax.

Margaret Hodge believes him. She's quoted as saying:

Margaret Hodge, chairwoman of the Public Accounts Committee, which heard Brittin speak in November, said the fact Google told parliament it does not sell in the UK while advertising London-based jobs for salespeople is a "very serious" matter. The discrepancy raises questions about whether Google does operate within the law, she said, and whether it misled parliament - a rare offence which in the past has cost government officials their jobs.

"It's difficult to reconcile the statements made by the witness (Brittin) and the evidence Reuters has uncovered," Hodge said. She said she plans to recall Brittin to appear before her committee. "We will need to very quickly call back the Google executives to give them a chance to explain themselves and to ensure that actually what they told us first time around is not being economical with the truth."

I'm going to look forward to that.

I hope she also asks HMRC how they came to their view. But they, of course, won't answer. They don't have to explain their cosy deals. Google will. Thank heaven for Margaret Hodge.