

The FT has reported [this morning that](#):

*Cases of serious tax evasion in the UK have hit their lowest level in the past five years as HM Revenue & Customs (HMRC) has ramped up its crackdown on tax evasion.*

I have to be honest and say I simply don't believe them. The report claims that:

*In the year to March 31 local HMRC offices pinpointed 2,888 suspected cases of serious tax evasion — a 16 per cent drop on the previous year and a 36 per cent drop from 2011 levels.*

*HMRC defines cases of serious tax evasion as being one that is concerned with the evasion of tax totalling £50,000 or more, or if prosecution would be possible. These cases are then passed on to the central 'Evasion Referral Team'.*

Now I'm sure the numbers reported are right, it's their causation that worries me. Staff have been cut by over a third at HMRC in a decade and ten thousand more jobs are meant to be going and yet, apparently, evasion is down. Of course that is possible, but I think it considerably more likely that the explanation for this is that cases are simply not being identified - which is far more likely with fewer staff to find, investigate, refer and pursue such cases.

To check that possibility let's note the fact that [according to HMRC tax evasion](#) in its varying forms is not less than £22 billion a year - in itself an utterly implausibly small number. And then let's assume that whilst a case had to be worth £50,000 to be in this categorisation the average was at least twice that at £100,000. That's just £288 million of tax evasion identified - or just 1.3% of the total. I'm not sure how you can extrapolate as they have on that basis.

And, respectfully, when £3 billion of funds have apparently just been remitted from Switzerland representing in every case potentially tax evaded sums I have a more than sneaking suspicion that someone, somewhere, is making up a line about this which cannot be related to the facts on the ground, the facts being reported and the evidence from within HMRC.

I think we should actually be worrying, quite seriously, about HMRC losing the plot.