

Tackling tax evasion via debit cards

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The Times and, more accessibly, [Credit Today](#) have both reported new powers that HM Revenue & Customs have enjoyed since the beginning of September. As the trade journal notes:

HM Revenue & Customs (HMRC) can now access data on all debit and credit card payments to UK businesses for the first time in a bid to clampdown on tax evasion.

Under new powers, HMRC will be able to obtain information on the number and value of transactions completed by a trader from its merchant acquirer, which processes card payments for businesses.

I welcome this move. Whilst it does not stop the cash market operating [it has always been my belief](#) that there are tens of thousands of businesses - and maybe more - who operate for a year or so through limited companies and who then cease trading, either to start a new company with fraudulent intent or because the business has been insufficiently profitable and who then allow their companies to be amongst the hundreds of thousands a year that are struck off the Register of Companies without a penny of the tax they owe being settled.

If this data on payments is demanded for all companies as a matter of course this datafile can be routinely checked against the register of companies seeking to be struck off and HMRC would instantly know which of those had been trading and needed pursuing for tax owing.

Of course, if the powers in the [UK Corporate and Individual Tax and Financial Transparency Bill](#) were also adopted HMRC would also have the ability to recover the tax owing from the directors who have fraudulently let this happen - and even identify who they are. But for that I have to live in hope.

The UK Corporate and Individual Tax and Financial Transparency Bill should have its second reading in parliament this Friday.