

The EU VAT gap estimate for the UK is Â£1 billion mor...

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The [EU published new VAT gap data last week](#) for all 28 member states.

The UK summary is here (click the image for a bigger version):

The EU think that in 2012 the UK VAT gap was 10.4% of total potential VAT payable. At [2012 exchange rates](#) the value was £13,428 million (£13.4 billion). The EU says this is very close to the UK estimate.

There's just one problem with that claim: [the latest UK estimate of the VAT gap](#) is for 2012-13 (so near enough the same period) and is for a gap of 10.9% at a cost of £12.4 billion. I don't think £13.4 billion is close to £12.4 billion: it is £1 billion.

One of these estimates is better than the other. I know which I am inclined to believe because it was not prepared by the tax authority publishing it, and that's precisely [why I say HMRC should not be responsible for monitoring the tax gap](#).

Note: Updated at 14.30 on 27 October because an incorrect exchange rate was used in the first version