

MRC claim the VAT gap is down but how do they know where?

Published: January 12, 2026, 10:38 pm

Amongst the many statistical releases made yesterday by HMRC was a new estimate of the VAT gap for the UK, this being the first estimate for the tax year 2013-14. [This is as follows:](#)

Let me contrast this to earlier years, as taken from [the latest HMRC tax gap report](#):

So, at a time when HMRC have virtually abandoned VAT inspections for small businesses, the number of such businesses is rising and the scope for abuse is growing apparently the VAT gap is falling.

I have to say I find the plausibility of that remote. I'd even ask, how do they know? But I present the facts as HMRC want to state them for now.