

Ed Miliband's speech on tax avoidance and the reform of...

Published: January 13, 2026, 10:04 am

Labour has issued this press release. Because it addresses many issues on which I have campaigned I think it worth sharing in full. [I comment on it in a separate blog. here:](#)

Ed Miliband today announces that the next Labour government will begin an immediate independent review into the culture and practices of HMRC with regard to tax avoidance.

Speaking at the Welsh Labour Party conference, Mr Miliband says he and Ed Balls have decided that the review should have full investigatory powers and support from the Treasury. It will commence immediately after the General Election and report directly to the Chancellor.

Mr Miliband's speech comes at the end of a week in which the industrial sale of tax avoidance at HSBC in Switzerland has been exposed and the Government has been severely criticised for its handling of the issue.

He says this is about much more than a scandal that has shaken the worlds of finance or politics. Instead, he describes how it has also crystallised a deeply divisive injustice about how Britain is run - and who it run for.

He outlines how the Government has failed to tax avoidance with the tax gap between what should be raised and revenue received now standing at £34 billion — twice as much as all the tax paid in Wales.

This week figures were published showing HMRC had taken forward just one prosecution out of over 1,000 people with accounts at the Swiss branch of HSBC who are known to have not paid tax that was due - and that one individual on that list was interviewed by HMRC in 2011 but not prosecuted despite having paid no tax for 24 years.

He declares that Labour will govern without fear or favour so that the same rules apply to the richest and most powerful as they do to everyone else.

And he sets out how the next Labour government will act.

He is expected to say:

“Two weeks ago, the British people were being told how to vote by a billionaire, who doesn’t even pay tax in the United Kingdom and has moved the HQ of his company, Boots, from Nottingham to Switzerland.

“This week, there were a series of revelations over industrial scale tax avoidance at HSBC in Switzerland which this government had known about even when it appointed its chairman as a trade minister.

“And then just on Wednesday the man appointed to be Treasurer of the Conservative Party first threatened to sue me for saying he was a tax avoider then announced that ‘everyone is a tax avoider’ and he was just guilty of ‘vanilla tax avoidance’.

“As always, this becomes a story of Westminster games: who’s up, who’s down, political knockabout.

“But in fact, this isn’t simply about Lord Fink, Stefano Pessina, David Cameron or me.

“It is about something bigger and deeper about our economy, our society and kind of country we want to live in.

“Any civilised country is built on the idea of the common good must have common rules, shared and respected by all its citizens.

“But in Britain today we risk having one rule for the rich and powerful and another for everybody else.

“What we are seeing is the growth of hugely complex and aggressive tax avoidance schemes, often based offshore.

“The sort of activity that has left the United Kingdom a £34 billion hole in our nation’s finances.

“That’s twice the total of all the tax paid by hard working families and businesses in Wales.

“When a few people are able to avoid paying their fair share, it threatens the fabric of the society on which we depend.

“And it is a deeply divisive injustice for the vast majority of British people and British businesses who pay their taxes.

“We all use the same roads, railways.

“We are all protected by our armed forces.

“When people are really sick, even when they have private healthcare, they so often turn to the NHS.

“The businesses that create the wealth of our country rely on the schools and universities that educate our young people.

“We really are ‘all in this together’.

“This is the basis of One Nation and civilised society.

“That’s why we have to act.

“Because this government has simply shrugged its shoulders over tax avoidance.

“It has failed to take action on tax havens.

“We will act.

“It has failed to lead on tax transparency.

“We will act.

“It has failed to stop corporations exploiting loopholes to shift its profits offshore.

“We will act.

“It has failed to tackle abuses which allow supposedly dormant companies to trade with tax impunity.

“We will act.

“It has failed to end tax scams in the construction industry.

“We will act.

“It has failed to introduce a genuine deterrent to aggressive tax avoidance schemes.

“We will act.

“It has failed to strengthen HMRC.

“We will act.

“We will act where they will not.

“Because we will only be One Nation with one set of rules if our tax authorities apply the same standards to everyone.

“People think it’s right that, if you fiddle the benefit system, you have the full force of the law thrown at you. But they don’t understand why, if you engage in large scale aggressive tax avoidance, you just get a slap on the wrist.

“All kinds of businesses find HMRC chases them for every penny they owe but they suspect there are sweetheart deals with a few of the largest, multinational companies that aren’t paying their fair share.

“Families and business that pay their fair share just don’t get why HMRC has prosecuted just 1 out of 1000 people in the HSBC scandal.

“It’s time we changed all this.

“That’s why Ed Balls and I are today announcing an independent, root and branch review of the culture and practice of HMRC when it comes to tax evasion and aggressive tax avoidance.

“While this government has had five years of inaction, we will begin from the first days we are in government and it will report within three months.

“It will shine a light on parts of our tax system that have been shrouded in secrecy under this government.

“We will ensure we are a country where there is responsibility from top to bottom.

“The Government’s failure to tackle tax avoidance is no accident.

“It has turned a blind eye to tax avoidance because it thinks that so long as a few at the top do well, the country succeeds.

“It thinks that wealth and power fence people off from responsibility.

“It thinks the rules only apply to everybody else.

“David Cameron is a Prime Minister who may be strong when it comes to the weak, but he is always weak when it comes to the strong.

“We will act because we have a different vision of how our country succeeds.

“I believe we build the success of a country through the success of working people

“It doesn’t matter how much I get attacked for this, I’m not backing down.

“I will stand up to all those who stand in the way of success for working families.

“Because we will govern without fear.

“And without favour.

“A Labour government led by me will ensure that the same rules apply to everyone, not matter how rich or how powerful they are.”

Ed Balls, the Shadow Chancellor, said:

“Labour’s first Finance Bill will act to tackle tax avoidance where this government has failed. As I set out this week, we will close loophole, increase transparency and toughen up penalties.

“But we also need HMRC to do a much better job. That’s why this review of HMRC’s culture and practices in the first weeks of a Labour government is so vital. HMRC needs to be fit for purpose and this review will help us make it so.”