

Why was a blind eye turned on HSBC and its clients?

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As [the Guardian reports](#):

HM Revenue and Customs has wound up its inquiries into claims that hundreds of British customers used HSBC's Swiss bank to evade tax, a senior official has admitted for the first time.

A public accounts committee hearing has been told there is no longer any criminal investigation despite claims that the banking arm had turned a blind eye to alleged illegal activities of wealthy individuals including arms dealers.

I admit to not being surprised at this outcome. It is well known that HMRC are not inclined to prosecute the wealthy. Tax is, after all, only for little people.

But I do have to wonder if there is more to this failure to prosecute HSBC clients and the bank itself for this disreputable period. Could the decision in any way be linked to rumours [hitting the press a couple of days ago](#) that:

HSBC Holdings Plc is likely to stay based in London rather than move its headquarters to Asia, according to Martin Gilbert, chief executive officer of one of the British bank's biggest shareholders.

It may all just be coincidence that these factors appear to be emerging at the same time.

I wish I did not have to put the emphasis on the 'may'. But I think I do. And I would think it very much worse than a failure to prosecute if that were true.