

# The government's desire to slash regulation is going to...

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In 2015 I [worked with the BBC Today programme](#) on an investigation into a recruitment agency called the Anderson Group that looked as if it was running an abusive tax scheme involving the use of thousands of separate companies to avoid liabilities that would otherwise be owing.

Today [the Guardian reports](#):

*An aggressive tax avoidance scheme, linked to one of the recruitment industry's highest-profile names, is being liquidated in a move that could prevent HM Revenue and Customs from recouping millions of pounds.*

*The scheme, which experts say raises questions over triggering a possible criminal investigation, has been promoted by Anderson Group, one of the sector's leading financial services firms. It has been used by recruitment agencies supplying low-paid workers to businesses including Marks & Spencer and Dixons Carphone.*

*The arrangements - which work by setting up thousands of tiny firms to exploit VAT and national insurance rules that were originally designed to help very small businesses — have netted vast windfalls for those involved.*

*The Guardian has seen evidence showing that the closure of parts of the scheme followed Anderson being asked by HMRC's fraud and investigation service for details about the large numbers of VAT registration applications made on behalf of Anderson clients last year.*

*Documents show that almost 2,000 of the Anderson scheme's mini companies are now being simultaneously liquidated.*

*Tax experts say the moves make it extremely difficult to pursue the defunct firms for any potential VAT or national insurance debt — particularly as each mini company appears to only have a Philippines-based director and barely any retained assets.*

They add:

*In 2015, following a [BBC investigation into Anderson](#), [HMRC](#) issued a notice advising anybody using schemes designed to exploit the employment allowance to withdraw from doing so to “[avoid the costs of litigation and minimise any interest and penalties due on underpaid national insurance](#)”.*

My questions are threefold.

First, why has it taken HMRC so long to act?

Second, why can't we change the law so that tax abuse cannot be protected by limited liability and the perpetrators can be held personally responsible?

Third, why do we provide limited liability so readily when so often it is used for such purposes? The government's desire to slash regulation is going to cost us a fortune, yet again.