

HMRC should be hanging their heads in shame over Uber

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Many will have noted that the EU has ruled that [Uber is not a tech company](#). It is, instead, a taxi company. What might be called 'bleedin' obvious' common sense has prevailed. The decision, does of course, follow the decision in the UK that its drivers are workers and not contractors, which was more of the same common sense.

Jolyon Maugham, who has made Uber's abuse of VAT law one of his causes, has written an account of HMRC's total failure to reach the same obvious conclusion. I could quote it. I [just suggest reading it](#).

But please do not miss the significance of the issue: if Uber is the contractor (and it is hard to see how it is otherwise now) then literally billions of VAT may be owed by it to tax authorities in the U.K. and around the world. And this matters. Tax abuse is at the heart of much of the gig economy. The apparent success of many companies in this sector does not come down to their ability to replace a phone call with an app messaging system. It has instead been about cutting out VAT and employer's national insurance at cost to the state, public services, fair competition and local services.

Maybe, just maybe, that process will be reversed now. But not thanks to HMRC, as Jolyon notes. They should be hanging their heads in shame.