

Why is the UK government so keen to help money launderers?

www.taxresearch.org.uk/Blog/2018/01/09/why-is-the-uk-government-so-keen-to-help-money-launderers/

Published: January 12, 2026, 8:04 pm

In [December I wrote a blog](#) on a Transparency International report that highlighted this issue:

Due to the anti-money laundering directive introduced this year, anyone wishing to form a company by visiting an accountant, solicitor or formations agent (classified under the 'Trust and Company Service Providers' (TCSP) umbrella), must fulfil due diligence requirements, including having their identity confirmed.

However, as the government's official registrar, Companies House is exempt from the rules as it occupies a statutory role to register businesses and issue incorporation certificates, and does not operate as a business itself.

As they noted:

According to Richard Osborne, managing director of eFiling, what this means is that "in just one visit to the government website, fraudsters using a throwaway email address can create a company and funnel their illicit finance through without any appropriate legal checks. All that is really required is a valid UK address and the name of a fictitious company director.

This is true.

As a result a reader of this blog, Ron Lawley, wrote to his (Conservative) MP as follows, sending the blog in question:

Dear Sir Nicholas Soames,

Re; UK money laundering loophole

It appears the UK has a loophole which allows money laundering to occur.

This loophole may have been deliberately created by the government and must be now

closed.

If it is not closed immediately we can only see that as verification of the claim that it is deliberate and the government's own rules are deliberately and deceptively being undermined by the government itself.

This looks like a very high level of dishonesty somewhere in the government and I would be grateful if you could point this out and have this loophole closed. We all know we need to stop the fraudsters and it is disheartening that the government deliberately leaves holes for the dishonest to get round the intention of the law.

I hope you can do something about this.

I leave a part of the blog by Richard Murphy on this email with the full relevant documents attached.

Yours

Ron Lawley

This, I am assured, was the reply:

Dear Mr Lawley,

Thank you for contacting me about money laundering, Trust and Company Service Providers (TCSP), and Companies House.

Companies House has a statutory duty to incorporate and dissolve limited companies, register company information, and make it available to the public. Unlike TCSPs, which are already supervised for anti-money laundering purposes under the money laundering regulations, Companies House is not a private-sector profit-making business. The registrar has no discretion in law to refuse or decline a request to incorporate a company. Companies House therefore cannot decline to establish a business relationship in the way that firms regulated for anti-money laundering purposes must when they cannot discharge their customer due diligence obligations. Due to its statutory obligations, Companies House is not considered to be a company formation agent.

I understand that the issue you mention has been raised with Ministers before, and is being monitored on an ongoing basis. However, the Government's view is that measures to in some way extend the TCSP rules to Companies House would impose unnecessary burdens on both Companies House and on legitimate companies, and would delay the company formation process.

The Office for Professional Body Anti-Money Laundering Supervision (OPBAS) is also soon to be established. OPBAS will work to ensure consistently high standards of

anti-money laundering supervision, and Ministers have expressed the view that it is right to establish this body first and then take account of its conclusions around TCSP supervision before taking any further action.

Thank you again for taking the time to contact me.

Yours sincerely,

The Rt Hon Sir Nicholas Soames MP
House of Commons
5th Floor
51, 52 & 53
7th Floor
Tel: 020 7219 4143
nicholas.soames.mp@parliament.uk
<http://www.nicholassoames.org.uk>

This is a quite extraordinary argument. What it is suggesting is that:

- a) That because Companies House is in the public sector it cannot be subject to anti-money laundering rules.
- b) That Companies House has a duty to incorporate for anyone without question.
- c) The prevention of money laundering is an unnecessary burden on business.

These claims are just wrong. The first claim is contradicted within the letter: it is a matter of choice that Companies House is not subject to anti-money laundering legislation.

This, then, destroys the second argument. It is also a matter of choice that Companies House must supposedly incorporate for anyone, whoever they are or are not and whatever their intentions. Clearly that could be changed if desired, and the letter admits it, so it is not true. And of course as a matter of fact it is already not true: Companies House cannot incorporate now for a person debarred from holding office as a director and so they already cannot incorporate at will. The claim is just wrong and shows that the failure to act is deliberate choice.

Third, if it was true that anti-money laundering regulation is a burden why has the government imposed this law on the private sector already? And does it really believe crime and tax evasion worth putting up with so incorporation can take place within an hour or two? If so, what does that say about their judgement and priorities?

Soames clearly got a briefing on this letter: what is written is not in the language of a constituency MP. What that briefing confirms is what I suggested in December: the UK government really is intent on promoting opportunity for money launderers and those committing related crimes, such as tax evasion.

Why is that?

What is it that the government thinks to be to the advantage of the UK when doing so?

That's a question in need of an answer.