Funding the Future

Amazon and eBay are still running rings around HMRC

Published: January 14, 2026, 8:05 pm

The [FT has reported](#) that:

UK tax officials are set to strike an agreement with online marketplaces including Amazon and eBay that will give HM Revenue & Customs access to their data to combat value added tax evasion by overseas online retailers.

As part of the agreement, which will be announced this month, online platforms will be required to provide merchants data to the tax authorities so HMRC can spot trends in fraud. The platforms will also commit to do more to educate sellers on their VAT responsibilities and take action to block vendors engaging in persistent tax evasion.

The tax authorities will invite online marketplaces to sign the new agreements and will publish a list of the marketplaces that conform to their conditions. Amazon and eBay confirmed they would sign an agreement with HMRC.

The fraud that is being tackled here is thought to amount to well over £1 billion a year. And HMRC are still doing 'pretty pleases' to Amazon and eBay as if they were complete third parties in this fraud, the existence of which is now proven beyond doubt and which could not happen without the existence of such platforms.

There is a solution to this whole issue. It is to make Amazon and eBay liable for collecting VAT on all sales through their platform unless the retailer using their services can prove they are not liable to be registered for VAT purposes. I know this may penalise some smaller retailers with an extra admin burden. And it will mean that Amazon and eBay would have to ensure that non-VAT chargeable sales such as books could be kept out of charge. But given the tax losses that are happening I think the costs this would impose would be fair and would justify a small price increase to cover admin, if necessary. Such an arrangement would also create a level playing field for small businesses against tax cheats - which would more than outweigh the cost burden on them. But instead it's still the case that the platforms are running rings around our tax authority.

When will they learn?