

The FT slams failings in UK company regulation but the ...

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The FT [has noted in an editorial](#) this morning that:

Denmark and Estonia are in the spotlight over a money laundering scandal that saw billions of dollars of suspicious funds from former Soviet republics pass through a subsidiary of Danske Bank. But a country with just as many questions to answer – in the Danske case as in many others – is the UK. While Danske's Estonian business was, in 2007-15, a wide-bore pipeline for dubious fund flows, the entities sending money through it were often shell companies registered in the UK or its overseas territories. For the sake both of its reputation and – given the vulnerabilities that stem from being a haven for Russian or other dirty money – its national security, London should launch a concerted clampdown.

What follows in the editorial is an understated tale of the failure of U.K. company regulation. The FT suggests:

tightening controls on so-called limited liability partnerships and Scottish limited partnerships that have become a vehicle of choice for money launderers.

And:

Companies House, the UK registrar, needs meanwhile to be given adequate resources and powers to check the veracity of information that businesses provide.

Whilst adding:

The government should also speed up adoption of a draft law to create a register of beneficial owners of overseas legal entities that own property or land in the UK. While putting its own house in order, the UK should use what influence it has to ensure compliance with a law that parliament adopted in May requiring companies registered in British overseas territories to disclose their beneficial owners. The requirement should be extended, too, to the UK's crown dependencies of Guernsey, Jersey and the Isle of Man.

Before concluding that:

The risk, however, is that a desire to ensure the City of London clings to its status as a global financial hub after Brexit will lead to laxer standards and enforcement. That would be a mistake. The way for the UK to prosper outside the EU is not to become a quasi-offshore, low-regulation tax haven, but to strive to combine an attractive business environment with the highest standards of probity and transparency.

Having spent years talking about the abject, and I suggest deliberate, failure of Companies House to regulate this is very welcome. It would have been better still if the FT had noted the simple failure of Companies House to collect data from 10% of companies each year, to which it turns a deliberate blind eye, so allowing widespread fraud to persist. But all steps in the right direction are appreciated, and this one is as such.

The question is whether the Tories will take the slightest notice.