

The UK government has not got the political will to tac...

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The UK government is acting typically hypocritically on money laundering this morning. As the [Guardian](#), amongst many others, reports:

Estate agents, high street solicitors and accountants who facilitate about £100bn of money-laundering in the UK but are failing to report suspicious activity face a crackdown under a government drive against economic crime.

Security minister Ben Wallace has warned public schools, football clubs and luxury car garages they must report irregularities, pledging to “go after the status” of the worst culprits by focusing on where they spend their illegal cash.

The focus is on nail bars, school fees, car washes, jewelers and car sales. The secondary focus is on accountants and lawyers. But the reality is the biggest culprit by far in the failure to tackle money laundering in the UK is the government.

It is the government that has stripped HMRC and the police of the resources to tackle this issue. That makes them most culpable. It also makes the current threat entirely hollow. Nothing will be followed up if reported as a result of the current initiative: there will be no resources to do so. We are a failed state when it comes to this issue.

It gets worse though. If the government was serious it would stop making this a migration issue - which it appears they wish to do by focussing in nail bars and car washes. They would instead recognise that the cash in hand economy is the real problem and that knows no cultural boundaries and operates in all parts of society.

Then the government would have to properly appraise the problem. Its current tax gap estimates are largely made up of 'illustrative estimates' when it comes to the shadow economy and their scale is ludicrously low. You can not, for example, lose about 9% of VAT to evasion but suffer a much lower loss of income tax when quite clearly income tax (and national insurance and corporation tax) should have been due on the gross sums on which the VAT evaded. But the government ignores this glaringly obvious fact. Its own failure to take this issue seriously and admit the scale of the problem it faces is

a major part of the issue that has to be addressed. It is showing no sign of willingness to do so.

And that is why this initiative is not going to deliver. It has to be backed by conviction and this government has not got the political will to tackle this abuse, unless it relates to migration, of course.