

The era of self regulation by accountants has to be ove...

Published: January 14, 2026, 2:35 pm

By pure coincidence I had a booked telephone call yesterday to discuss with an NGO why accountants were not apparently complying with anti-money laundering regulation. A secondary question was why accountants did not think this was an issue of significance. Literally during the conversation [the FT published an article](#) on the issue.

During my conversation I suggested that the big problems were fourfold. I spoke from some experience: I am still registered as a practicing chartered accountant and am subject to money laundering regulation.

First, a wide range of accounting bodies are undertaking a regulatory task that they should not be doing. The risk of moral hazard, that these bodies would not want to pursue their members because of the risk to themselves and their reputations was enormous, I suggested.

Second, I suggested HMRC was failing to ensure all tax agents were registered for AML purposes. Technically it is possible that they need not be so, but it is very unlikely. There is no excuse for HMRC on this issue.

Third, there is no automatic information exchange required from UK banks to AML regulators on those people for whom they maintain client accounts, which can be used for money laundering.

And fourth I suggested that by far the biggest risk of money laundering in the UK came from the use of companies set up for criminal purpose (including tax evasion) which then disappeared without trace without filing accounts or tax returns. Anyone, I said, who was an accountant who knew of a company being struck off with risk that tax returns or other obligations were outstanding should be required mandatorily to file a suspicious transaction report and be personally liable if they did not.

I admit we discussed some rather more technical issues, but the above were key.

And then I read the FT article which says (and I do not apologise for quoting at length as this is a public interest concern):

Professional bodies representing the accountancy and legal sectors are riven with conflicts of interest and loath to publish money laundering penalties, if they take action at all, a damning report by their supervisor has revealed.

Accountancy associations, in particular, are resisting taking enforcement action against their members for money laundering failings out of fear that they might go to rival bodies, the maiden [report](#) by the Office for Professional Body Anti-Money Laundering Supervision, (OPBAS), found on Tuesday.

It underscores the scale of the fight against the UK's [dirty money problem](#), officially estimated to run into the hundreds of billions of pounds.

Nearly all of the 22 professional bodies overseen by OPBAS, the supervisor of supervisors for anti-money laundering, have failed to gather full basic information on members as a first step, the report found. Meanwhile 80 per cent lack appropriate governance arrangements to tackle dirty money in their profession, and nearly a quarter of the bodies do not undertake any form of money laundering supervision at all, despite there being EU rules in place demanding that they do.

I presumed things were bad when I was preparing for my call with the researcher who wanted to interview me. But I was not prepared for them to be that bad.

The accountancy profession (I use the word loosely) is meant to uphold standards by ensuring that their members comply with them, if it is to achieve any of its supposed goals. And apparently it is not even trying to do that in some cases, and is doing it inadequately in most situations.

No wonder the UK is the centre of the world's dirty money.

And no wonder that so many accountants turn a blind eye to the operation of shadow companies that never try to comply with their obligations to pay tax, file documents with Companies House.

I knew my profession was in a bad way when it came to its core competencies of audit and accounting, where it has essentially failed. But it is also failing to fulfil the most basic of its legal obligations as well.

What is there left for it to claim its special status for? Root and branch reform seems to be essential now. And only government action can deliver that. The era of self-regulation and devolved responsibility has to be over.