

The audit market does not work

Published: January 13, 2026, 9:50 am

I [noted the problems](#) that Sports Direct will have when appointing a new auditor last week. The likelihood is that no one wants the job.

Now the FT has also commented on the issue in an editorial, [saying](#):

When a UK parliamentary select committee [examined the](#) idea of independent appointment of auditors, it concluded such a “radical reform” would amount to “an admission that a broken sector is beyond being fixed by the market”. It is not yet time to concede that market forces cannot repair audit. The shunning of Sports Direct suggests, though, that it will not be long before more sweeping solutions need to be reconsidered.

I suggest that the FT is wrong. As a matter of fact it looks likely that Sports Direct will not be able to appoint an auditor. That is a market failure.

And as a matter of fact that is simply the tip of the iceberg when it comes to problems in the audit market.

I would very strongly suggest that the time has come to concede that market forces cannot repair audit. The wait for real reform should be over. It's needed now.