

Companies House reform is heading in the right direction...

Published: January 13, 2026, 11:01 am

In December the government [announced a consultation](#) on the future accounts filing arrangements with Companies House. The [consultation document is here](#).

Now I know that the above might seem pretty dull. But please trust me, because as it turns out I think this consultation is really important. That is because the consultation suggests that the content of the accounts to be filed on public record by UK companies should be substantially enhanced by the inclusion of a profit and loss account (or income statement) in each and every case. In addition, it proposes that much-enhanced checks are proposed on the data filed so that for the first time Companies House will be responsible for seeking out fraudulent filings by UK companies.

Both of these things is a really big deal because for the last thirty years the government has done everything it can to remove checks and reduce the amount of information companies have to disclose, and now this move is in completely the opposite - and right - direction.

The result is that the consultation challenges the current situation where the data at Companies House goes virtually unchecked and, on top of that, over 90% of all companies are entitled to not file any information at all on their trading, meaning that the accounting data that they put on public record is, to be candid, almost meaningless.

Refreshingly, the consultation finally recognises that the risk of fraud within UK company filings is high. [I have been arguing this for a decade now](#), when very few others have. During much of this period my claim that lax regulation has resulted in massive fraud, and tax loss, has been ridiculed by those who would rather that abuse continued. And now the government plans to do something about it.

As example of how things have changed, the consultation document notes that:

Some respondents raised concerns that companies could deliberately file under the wrong regime to disclose less financial information than the law would otherwise require. This was backed by evidence from law enforcement bodies referencing money

laundrying investigations, where companies often falsely filed dormant accounts with the Registrar, when their bank accounts showed the company was clearly trading with millions of pounds moving through their accounts.

And they also note:

*There is evidence that the micro-entity regime introduced in 2013 is being used incorrectly and many entities are reporting as micro companies when they are not eligible to do so. The aim of the regime was to save the very smallest companies both time and costs by offering a highly simplified format of statutory accounts and simplifying the accounting standards that should be applied. **However, a joint data project between Companies House and HMRC identified several thousand cases where ineligible companies had submitted micro-entity accounts.** This may be because companies do not understand the eligibility criteria or are confused by the range of filing options that are available. There is also, as noted for dormant accounts in the previous section, evidence of micro-entity accounts being used in a deliberate attempt to avoid disclosure. **Fraud investigation bodies have reported that micro-entity accounts are often used by companies that are investigated in money laundering cases.***

I added the emphases. Fraud is now recognised to be commonplace, as I have long suggested, and now officially confirmed to exist.

As welcome is the suggestion that there are many users of accounting data who rely on this information from Companies House, and cannot get information from anywhere else. As the consultation document notes:

Company accounts contain valuable financial information and are published on the register to support investment, enable business transactions and hold directors to account. A recent report has shown that the financial information held at Companies House is the most valuable dataset for its customers. The information is used by businesses, financial institutions, civil society groups, academics, journalists and the public at large. Improving the quality and integrity of the information will bring widespread benefits.

This flies in the face of the assumptions of the accounting profession, which has assumed that accounts need only be produced for the benefit of the shareholders of companies.

But the key thing is that they intend to address these issues. I will do a separate blog on how fraud might be addressed. The issue is big enough to justify that. But even more significant than their moves on that issue are the suggestions that the micro-entities accounts filing regime might be removed, and that the abbreviated

accounts regime might also go the same way, because it too is being abused. The result is that the indicated direction of travel within this consultation is that the full accounts of companies as prepared for their shareholders in accordance with appropriate accounting standards should now be the accounts filed on public record.

I have prepared a submission to this consultation on behalf of the Corporate Accountability Network, which works on such issues. [This is available here.](#)

It would, however, be fantastic if others could also submit to say why they want full accounts on the public record. And to make that easier I have also prepared a much shorter form letter that might be adapted for this purpose with a pile of reasons why you might have an interest in this issue listed to choose from, or add to or amend, plus a suggested submission. [That is available here, as a Word document.](#) The email to submit to is in the document.

If you are interested in tax justice, fair trade, fair government procurement (which seems a pretty important topic right now), beating corruption, supporting local business, or simply protecting us all against the risk that limited liability creates then this is a massively important issue. It would be great if you could give a small amount of time to making a submission and I would really appreciate it if you did. There has rarely been a better chance to improve UK accounting for public benefit than this.