

The 5 million companies in the UK require a company law...

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I [posted this YouTube video](#) this morning.

In it, I argue that there are five million or more companies in the UK. That's one for every eight or so people. But there is no company law enforcement agency in this country, so although there is company law that these entities are supposedly required to comply with, there is no one who actually makes sure that they do. Why are we running such a lawless system? And why doesn't the government care about the cost that this imposes on us all, including all honest businesses?

<https://www.youtube.com/watch?v=iFMMkuplQ6g>

The transcript is as follows:

There are five million companies in the UK and there is no law enforcement agency that makes sure that any one of them actually complies with UK company law.

This is absurd.

We have more companies in the UK per head of population than any other country in Europe. Again, something that's a bit odd, but you would expect as a consequence that if we are so dedicated to forming companies - one for roughly every eight of us - then surely we would have a company law enforcement agency who was making sure that we knew what they did, where they did it, how they did it, who they did it to, and that they complied with the law when undertaking those things.

But we don't. Literally, no one at all is responsible for making sure that UK company law is enforced.

Now, we do have company law. We have something called the Companies Act 2006, a pretty hefty piece of legislation, with hundreds upon hundreds of requirements imposed

upon the directors of companies, which carry many penalties, often quite severe ones, including imprisonment.

And yet nobody is bothering to check whether companies are actually complying.

We have something called Companies House. It's called an executive agency of the Department for Business, Enterprise, Investment and Skills, or whatever else its latest name is, because it seems to change name every other week. That agency is, however, a Registrar of Companies. In other words, it files the information on public record that companies choose to send it. But if companies choose not to send it any information, well, its reaction is to say this company is obviously no longer desired by its owners, so we'll get rid of it - strike it off, they call it - and that's the end of the matter.

The fact that the company might, of course, have decided not to tell it what it was doing because it was doing something illicit, like not paying its taxes or undertaking a criminal activity or money laundering or anything else, well, that isn't a matter of concern to the Registrar of Companies. They only care about the bits of paperwork they get.

Heaven help you if you send in a wrong postcode on one of those pieces of paper. But do something illegal? They don't care.

Why have we let this situation develop? I wish I knew. I can't honestly answer that question, but what I do know is that if we are to have fair markets in the UK that requires that there be a level playing field on which all companies operate so that we have fair competition between honest companies who can guarantee that they are not competing with dishonest companies, so we need a company law enforcement agency in the UK.

And then, of course, the politician will say, but how are you going to pay for it? Really simple. At the moment, we have to pay, at most, £13 a year to register a company every year in the UK. It's called your annual filing fee. Suppose we increase that tenfold and make it £130 a year. That would not be a significant burden for any company to suffer, but it will provide a vast amount more revenue to what would then be a reformed Companies House so that they could not just receive documents but actually check that companies are complying with the law. And prosecute those who are not.

Why is that such a hard thing to imagine?

Why is it that governments so hate fair markets that they seek to actively undermine them by failing to regulate them?

It's like running a football league without referees at present. Well, we need those referees and the referees would be the employees of a reformed Companies House.

I'm desperate to see this happen because I believe in fair markets. I believe in the value

of the private sector economy. I believe that they can create value for us. But they can't.

whilst cheats, crooks and others, fraudsters if you like, undermine the effectiveness of company law because there's no one checking on them.

It really is time that our government got its act together with regard to enforcing company law.