

UK company law is a joke: it exists, but no one enforce...

Published: January 13, 2026, 6:18 pm

UK company law exists to protect society and honest traders from fraudsters, but since no one has the job of properly enforcing that law, it might as well not exist. This failure represents a massive failure on the part of successive governments that needs to be addressed now.

https://www.youtube.com/watch?v=liFp5rhYxtM?si=aGC6mEjf2gYZcR_h

The audit version of this video is here:

https://www.podbean.com/player-v2/?i=v3iwm-16f2afb-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=c73a3a&font-color=&logo_link=episode_page&btn-skin=ff6d00

This is the transcript:

One of my favourite ever songs is Walk on the Wild Side by Lou Reed. I was a young man when it came out, and it left a lasting impression on all sorts of issues, which we don't need to go into now. But that phrase, 'take a walk on the wild side', has remained with me ever since. And the trouble is, that the UK is still taking a walk on the wild side when it comes to company law.

Company law in the UK is out of control. I do know that there is new legislation now coming into force which Companies House is saying that it is going to use to try to impose greater penalties on those who do not comply with current legal requirements.

for the registration of documents with Companies House, but this will make very little difference to the way in which company law is enforced in the UK and it will not stop us operating in what I think to be the 'company law wild-west', which is where the UK is at present.

The simple fact is that companies are too easy to obtain in the UK at present. You can go online and buy a company almost instantly. You can go to Companies House and form a company in a matter of minutes. You don't even have to prove to Companies House who you are. You don't have to physically sign a form. There are no checks on anything. And for a sum of well under £50, a new company is yours.

It will, I admit, take you longer to prove to a bank that you want to open a bank account, or to PayPal are for the sake of getting payments that way. But company law is what I'm talking about. And company law is letting companies in this country be formed without almost any effective control being put in place to make sure that we know

- * who is forming companies,
- * who are the company directors,
- * where are these companies really trading, or
- * what are they doing, and
- * are they fulfilling their legal obligations?

And that is crazy. And the reason why it's crazy is that, quite simply, a person may sign a piece of paper, call themselves a company, and thereafter, have a company with no apparent legal responsibility for the actions of the company that they have formed, which:

- * may trade fraudulently,
- * may leave a trail of creditors in its wake when it goes bust, or simply disappears, and
- * may never pay any of the tax it owes.

And we do know that many of these companies do not pay tax. HM Revenue and Customs, our tax authority, admit that 30 percent of all the corporation tax owing by small companies in the UK is not paid. And that is quite extraordinary. Three in ten companies are not paying what they owe.

We do, therefore, have a rampant fraud going on inside the UK corporate world and apparently, the government is only increasing the penalties on the failure to file documents with Companies House, the annual accounts and the annual return or statement which is now required once a year

Nobody checks whether the accounts are correct or not.

Nobody checks whether they comply with UK company law or not.

Nobody does anything except to make sure that the page numbers are consecutive, because that's a terrible sin if they aren't; and that the correct date is on the top of each page. Oh, and the company number is on the front. Otherwise, they could be complete garbage, and having looked at a lot of them in my life, a lot of them are.

There can also be an almost total failure to disclose who the true directors are, and I know from personal experience that there are a lot of people with a lot of directorships whose filings are not linked to each other, so that one person can have a multitude of appointments, but it is very hard to prove that fact.

And indeed, if you search me on Companies House, you will find I appear to have several records as a director, for reasons that I simply cannot explain, because I would rather have one. I would prefer that people could track what I'm doing instead of not, but Companies House don't seem to be worried about it.

So, instead of having the corporate accountability and transparency that we need to hold people to account for the privilege of limited liability - the ability not to pay their debts that society grants to them - we do instead have a morass of opacity where it is incredibly difficult to find out who owns companies, if we can do so at all, let alone where they are really trading and what they're really doing.

This is the wild side that I'm talking about. And the consequence is ongoing legitimised, in the sense that the government allows it, identity theft by people who form companies knowing that they can use those companies as a front for their illegal activities on which they never intend to pay tax.

And they can get away with it.

As I say, this is madness.

It's crazy.

It's beyond comprehension that we should let this happen, and knowingly happen because the evidence that it is going on is all around us.

So, what should the government be doing? Well, those charges for forming a company should go up tenfold or more.

And the checks to make sure that a person is suitable to form a company should be in place.

Company directors should have to pass a company director's license exam. Why not?

We need to pass an exam to drive a car. Why shouldn't we be asked to pass an exam to be a company director?

We need to have proper regulation of the accounts that are filed.

So, the annual filing fee for a company should not be 30 odd pounds, which it is now, but should be, maybe again, be three times that sum, so that Companies House would have the legal obligation to check that there was at least clear indication of compliance with UK accounting standards, with questions being raised by them if it was apparent that there were gaps in the data being filed.

And there should be a very strong Investigative branch of Companies House, which is actually going out into the community and checking rogue companies. There should be encouragement, so that people should be told that they have the opportunity to report companies who they think are trading illegally and who they are dealing with online who appear not to be paying the proper taxes or whatever else it might be. There should be this opportunity to eliminate fraud from our economy.

And if we did, what would happen? The honest traders in our society would have a chance to flourish. The sort of people who put their own money into a business, who want to invest in it for the long term, who want to take on staff and offer them apprenticeships and training, who want to look at how they could develop the skill base of our economy. All the sorts of things that we want and which we would like to encourage would happen, if only the cheats who undermine the opportunities of honest business could be eliminated from our economy by an effective company regulator.

But we haven't got one.

Instead, we're still walking on the wild side. And Lou Reed, God bless you because you're no longer with us, but you phrased an appropriate line.

We really shouldn't be doing this. Walking on the wild side might be appropriate in some cases in life, but this is most definitely not one of them.