

Jersey Choice Ltd (Appellant) v His Majesty's Treasury (Respondent)

Case ID: 2022/0019

Case summary

Issue

Was the Court of Appeal wrong to uphold the order striking out Jersey Choice Limited's claim on the basis the pleadings disclosed no reasonable grounds?

Facts

Section 199(3) of the Finance Act 2012 removed VAT relief known as Low Value Consignment Relief ("LVCR") from low value goods sold to UK customers by mail order from the Channel Islands, with effect from 1 April 2012.

The appellant, Jersey Choice Limited ("JCL"), is a Jersey-registered company that grows horticultural products in Jersey and sells them to customers in the UK by mail order. It claims that the removal of the LVCR has caused it loss in excess of £15 million. JCL therefore issued proceedings against the respondent, His Majesty's Treasury, which is responsible for UK taxation policy. JCL seeks damages on the ground that section 199(3) was enacted in breach of EU law. It claims that section 199(3) unjustifiably treated Jersey and Guernsey differently from the other third territories within the common customs area, contrary to the free movement of goods provisions in articles 28, 30 and 34 of the Treaty on the Functioning of the European Union.

The High Court struck out JCL's claim on the basis that it had no prospect of success and was also an abuse of process. The Court of Appeal agreed that JCL's claim should be struck out on the basis that the pleadings disclosed no reasonable grounds (though it was not an abuse of process). JCL now appeals to the Supreme Court.

Judgment appealed

[\[2021\] EWCA Civ 1941](#)

Parties

Appellant(s)

Jersey Choice Ltd

Respondent(s)

His Majesty's Treasury

Appeal

Justices

Lord Lloyd-Jones, Lord Briggs, Lord Leggatt, Lady Rose, Lord Richards

Hearing start date

7 November 2023

Hearing finish date

7 November 2023

Watch hearing

7 November 2023 [Morning session](#) [Afternoon session](#)