



By: *Harvey Morris*

UK politicians and campaigners question state's reliance on tech giant Palantir



A dispute involving the mayor of London, the US data analytics company Palantir and the UK capital's police is fuelling a growing controversy about the role of the tech giant in the functions of the British state.

Even before Mayor Sadiq Khan this month vetoed a contract between Palantir and London's Metropolitan Police, concerns were being expressed about the company's involvement in the state-run health service and national defence.

When Palantir Technologies, founded by billionaire entrepreneur Peter Thiel, chose London as its European AI hub in 2023, it had already begun to entrench its position within UK public institutions.

In the same year, National Health England awarded it a £330 million, seven-year contract to build and operate a platform to streamline patient data, which subsequently prompted a backlash from doctors, lawyers and privacy campaigners.

Palantir's expanding role

Palantir went on to sign a **strategic partnership** with the UK last year to unlock up to £1.5 billion of investment into the UK to develop AI-powered defence capabilities and speed up military planning.

At the end of the year, it secured a £240 million contract with the **Ministry of Defence**, a follow-up on a deal it first secured in 2022.

Other public sector customers include the Financial Conduct Authority, local municipal councils, and police forces, including London's Met.

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Mayor Khan decided, however, to block the latest £50 million contract under which Palantir would provide the Metropolitan Police with AI-assisted tools to help it fight crime and weed out corruption in the force.

The Mayor's Office for Policing and Crime cited the Met's failure to obtain its required prior approval for a procurement strategy in which no alternative providers were considered and the force had failed to ensure it was getting value for money.

It was the latest pushback involving a company described in a recent edition of the UK's *The Week* magazine of having "wrapped its tentacles around the **British state**".

Controversial leadership views

Palantir's UK chief executive, Louis Mosley, condemned the mayor's move, telling Times Radio it would give an advantage to criminals and hostile states. The Metropolitan Police had previously warned it would have to cut staff numbers if the deal did not go ahead.

Mosley also accused Khan of playing politics over the affair, a reference to statements from the mayor's office that Londoners would only want to see public funding go to companies that shared the city's values.

Much of the antipathy to Palantir expressed in the UK is linked to its close involvement with the Israeli military and its role in facilitating an immigration crackdown in the US.

Critics have also cited the political stances of Peter Thiel and Alex Karp, Palantir's co-founder and CEO.

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In the year in which Palantir won its National Health Service data contract, Thiel told the Oxford Union that the NHS "makes people

sick” and should be privatised.

The company said Thiel had been speaking as a private individual. However, it last month posted a manifesto on its X account that reprised the controversial views of Alex Karp, expressed in his book *The Technological Republic*.

British MPs were among those who condemned Karp’s views on **US military dominance**, his dismissal of other cultures and his alleged embrace of AI surveillance of citizens.

Reflecting the view of parliamentary critics, Liberal Democrat MP Victoria Collins said: “A company that has such naked ideological motivations and lack of respect for democratic rule of law should be nowhere near our public services.”

From free to costly contracts

Palantir is not without its defenders. An editorial in *The Times* acknowledged that **Karp** held views that grated with liberal opinion but added that “unfortunately for Sir Sadiq and other critics, Palantir’s software works”.

The newspaper said the company’s products were being used by the Ministry of Defence to plan the battles of the future and by the NHS to reduce waiting lists and make more efficient use of resources.

But even those practical benefits have been contested by those who want to see Palantir’s UK presence suspended or scaled back.

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The British Medical Association, which last year voted for doctors to limit their use of the Palantir platform, said the company’s partnership with the health service threatened

to undermine public trust in NHS data systems due to a lack of transparency in how the data will be stored and processed.

The benefit of another contract was challenged this month when the housing ministry acknowledged it had saved millions of pounds by replacing a Palantir system to find accommodation for Ukraine refugees with one built in-house.

Palantir offered the original Ukraine system for free, but subsequent contracts rose to £5.5 million a year. A report from the National Audit Office said government concerns had been raised with the company over its practice of making zero or low-cost initial offerings to gain a commercial foothold.

That is how Palantir’s relationship with the NHS began in 2020 when it offered its data services in the midst of the Covid crisis for the nominal price of £1.

‘Buy British’

Since then its engagement with the UK public sector has boomed. A sixth of the Palantir workforce, around 1,000, are now based in the UK.

It faces pressure from an informal alliance of rights groups, private petitioners, medical staff and MPs in the wider context of an appeal from the Open Rights Group for a digital sovereignty strategy to address threats from reliance on big tech.



In a letter to ministers, Chancellor Rachel Reeves listed AI among four priority sectors in which they should “buy British” if possible

Successive governments have overseen Palantir's rising involvement in the UK. Prime Minister **Keir Starmer** visited the company's Washington premises during a US visit, in company with the then British ambassador, Peter Mandelson, who had a previous lobbying relationship with Palantir.

Green Party MPs called on the government in February to scrap its NHS and Ministry of Defence contracts with the company and to review the extent of UK dependence on private contractors. Its views on the NHS deal have since been echoed by Labour and Liberal Democratic MPs.

There are few indications the present Labour government has any plan to wean itself off reliance on Palantir.

However, it is keen to advance the UK's own capabilities and establish the UK as what Starmer called an AI superpower.

And in a letter to ministers, as reported by The Guardian this week, Chancellor **Rachel Reeves** listed AI among four priority sectors in which they should "buy British" if possible.