

UK Labour government in meltdown at arrest of Peter Mandelson over Epstein connections, as election defeat looms

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The arrest of Peter Mandelson on suspicion of misconduct in public office in connection with the Epstein affair has plunged Keir Starmer's Labour government deeper into a crisis of rule already threatening its survival. It came just days after the detention—on the same grounds—of Andrew Mountbatten-Windsor, formerly Prince Andrew, the brother of King Charles.

Mandelson, one of the principal architects of the right-wing New Labour project spawned in the 1990s—ahead of the election of the Blair government in 1997—was arrested by Metropolitan Police officers at his luxury home in London's Regent's Park on Monday afternoon. He was questioned for nine hours and released on bail pending further investigation. Two properties associated with the former peer were previously searched by the Met as part of its investigation.

The arrest comes on the eve of Thursday's Gorton and Denton by-election in Manchester. Labour has held the seat continuously since 1935 but is expected to lose, either to Reform UK or the Green Party, amid a worsening cost-of-living crisis.

A loss is expected to prompt demands from Labour MPs and Starmer's former backers in the right-wing media for him to stand down as a political liability. Starmer is already the most unpopular prime minister of the modern era, despite not having served even two years of a scheduled five-year term. His net approval rating has collapsed to a record -50 percent. Among those aged 18–24, only 13 percent have a favourable opinion.

Mandelson's arrest follows January's release by the US Department of Justice (DoJ) of a further tranche of documents from the case of the convicted child sex trafficker Jeffrey Epstein.

Mandelson, then business secretary in the government of Gordon Brown, shared with Epstein information on a €500 billion Eurozone bailout package, a £20 billion UK government asset sales plan, and possible tax measures,

including a levy on bankers' bonuses—some of which was communicated prior to public announcement. Further documents indicate financial transfers of tens of thousands of pounds from Epstein to Mandelson and his partner.

The police investigation is ongoing, but no scenario offers any respite to Starmer. According to a February 5 assessment by Politico, Mandelson's name appears in "6,000-odd" Epstein files released by US authorities.

However, this is based on the roughly 3.5 million pages released so far by the US Department of Justice (DoJ). Approximately 2.5 million Epstein file pages remain withheld. Given this situation, with two senior figures in ruling circles already embroiled, the government faces the fact that not only could Mandelson and Mountbatten-Windsor feature in even more damaging revelations, but other politicians—from Labour and other parties—could also be implicated.

Following the release of the January files, Mandelson resigned from the Labour Party and stood down from the House of Lords. Starmer had named him US Ambassador in December 2024, fully aware of his intimate connections with Epstein. A previous batch of released documents forced the prime minister to sack Mandelson from the post last September, less than a year after appointing him.

The government is desperately seeking to manage the fallout from Mandelson's intimate relations with Epstein and is working with the Intelligence and Security Committee (ISC) in Parliament in an attempt to prevent the publication of whatever it can under the guise of protecting "national security."

But cans of worms continue to open everywhere.

Hours after Mandelson's arrest, the government was forced to back an opposition motion from the Liberal Democrats—seeking to make political capital out of the crisis—which demanded the release of "all papers relating to the creation of the role of Special Representative for Trade and Investment and Andrew Mountbatten-Windsor's

appointment to that role.”

It also requested “minutes of meetings and electronic communications regarding the due diligence and vetting.” With reports that Mandelson—in the early years of the Blair government—pushed for Mountbatten-Windsor’s appointment as a Trade Envoy, the motion also demanded the publication of any correspondence from Mandelson relating to his eventual appointment in 2001.

The government said it would sanction the release of files. But, as with its attempt to prevent full disclosure of the files relating to Mandelson’s appointment by Starmer to the critical position of US Ambassador, Labour trade minister Chris Bryant told MPs that no files that could prejudice the ongoing police investigation would be considered for publication until it had concluded. No timescale was given.

According to the Financial Times, the first tranche of tens of thousands of UK documents relating to Mandelson and his appointment as US ambassador “will be published in early March,” with the government braced for major fallout.

If anything, what is contained in the yet-to-emerge Mountbatten-Windsor documents will be even more politically explosive, given that the period covered spans the last two-and-a-half decades. His appointment implicates the Blair and Brown administrations in elevating a senior royal—now under criminal investigation—into a role that facilitated direct engagement with global finance and corporate elites.

Mountbatten-Windsor’s decade-long tenure as Trade Envoy spanned six years during the 1997–2007 Blair government and the entirety of the premiership of his successor as Labour prime minister, Gordon Brown (June 2007 to May 2010). It was during 2009–10 that Mandelson, as exposed in the Epstein files, allegedly transmitted confidential material to Epstein, including Treasury-level sensitive information.

The files revealed that Epstein, as a representative of the billionaire oligarchy who did not fully back Brown after he took over from Blair in 2007, wanted him replaced by someone from Labour’s openly Blairite wing. Mandelson and Epstein allegedly plotted such an outcome.

It is unknown to what extent Andrew Mountbatten-Windsor’s downfall will impact a royal family in the process of attempting a succession, with questions emerging as to what King Charles and his heir apparent, Prince William, knew of the former prince’s vile dealings with Epstein.

The monarchy plays a pivotal role in the operations of Britain’s ruling class. Therefore, in an attempt to keep the situation from getting out of control, Parliament’s Speaker Sir Lindsay Hoyle—a former Labour MP—introduced Tuesday’s Liberal Democrat motion by warning MPs, “Of

course, any comments on the King or the heir apparent would not be in order.”

The Times noted that it was significant that Hoyle, in issuing this warning, was recalling Erskine May, the manual of Parliament first published in 1844, which states: “Reflections must not be cast in debate upon the conduct of the sovereign, the heir to the throne, or other members of the royal family.”

Mandelson’s career is intertwined with the transformation of the Labour Party into an instrument of finance capital and an architect of illegal wars and imperialist plunder. Having now resigned five times from various positions—including being twice forced from office during the Blair years due to earlier scandals—he was repeatedly welcomed back to the summit of political power, including by Starmer.

This was because, more than anyone else, Mandelson epitomised the New Labour agenda of serving every requirement of the money-mad banks and corporations. As this venal figure declared after New Labour took office, they were “intensely relaxed about people getting filthy rich.”

For the working class, the central issue is not holding Mandelson or Mountbatten-Windsor to account through parliamentary debates, humble addresses, or official inquiries—including the public inquiry advocated by Your Party leader Jeremy Corbyn.

The fundamental task is the building of a new, independent political party of the working class and a decisive break with the entire parliamentary set-up and all its rotten parties. It is the capitalist system they all defend that enabled the financial oligarchy—and figures such as Mandelson and Mountbatten-Windsor—to thrive and profit.



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