

Let's get the definition of fraud right

Published: January 13, 2026, 1:20 am

KPMG are [reporting that](#):

Fraud cases involving sums of more than £100,000 rose to 277 in 2006, from 222 in the previous year, according to KPMG Forensics Fraud Barometer - an increase of almost 25%.

For once I will make no comment on the [messenger](#). What I do want to make clear is that I think this a wholly inadequate definition of fraud. That's in no small part because it focuses on the perpetrator. That's akin to the corruption debate, which does likewise because corruption is [defined](#):

as the misuse of entrusted power for private gain

That's inadequate because there are substantial problems with this definition:

1. It focuses on the symptoms and not the cause of this problem;
2. It emphasises corruption within government, or against government;
3. It ignores illicit corporate activity perpetrated by those entities themselves;
4. It specifically ignores the issue of tax evasion as corruption.

Those criticisms can be translated to the definition of fraud used by KPMG. Tax misrepresentation is, for example, fraud but doesn't appear on their radar. A radical rethink is needed on these issues. You could start [here](#).