

Courts are softer on criminals wearing suits

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It looks like the UK is not the only place that takes a soft touch approach to tax crime and a hard line approach to benefits crime. This report comes from [New Zealand site stuff.co.nz](http://NewZealandstuff.co.nz):

White-collar criminals evading the taxman are far less likely to go to jail than blue-collar fraudsters, new research shows.

The unequal treatment of rich and poor will now be further investigated by a Marsden Fund grant recipient, who says tax cheats are costing the country billions more than welfare cons but rarely see the inside of a cell.

"They have the same victim - the government and society - yet one is punished much more harshly than the other," said tax lecturer Dr Lisa Marriott of Victoria University. "The study does indicate there is a fairly serious problem there."

In her pilot study examining three years of tax evasion compared to welfare fraud in New Zealand, Marriott found that welfare fraud was significantly more likely to be prosecuted than tax crime.

This was despite huge differences in scale.

In 2010 alone, tax evaders cheated the country of between \$1 billion and \$6b, while welfare fraud cost \$39 million.

The average offending for welfare fraudsters was \$70,000, and those found guilty had a 60 per cent chance of being jailed.

For tax evaders the average was \$270,000, but those found guilty had only a 22 per cent chance of being jailed.

The cases were barely comparable. For example, a welfare fraudster who stole \$148,000 - at the upper end of the scale - received 18 months in prison. Meanwhile, a tax cheat who failed to pay \$222,000 in tax - at the lower end of the prosecution scale -

got eight months' home detention and 250 hours' community service.

Marriott said the reasons for the differences in sentencing were not obvious.

Sound familiar anyone? . And has anyone done such research here? . And why is this?
Do we just not like prosecuting 'nice' people? If so, it's time attitudes changed.