

## Over-Deterrence Costs

**Cost category** Costs in response to crime

**Cost item** Over-Deterrence Costs

**Definition** Losses resulting from behaviour changes on the part of citizens seeking to protect themselves from being (wrongly) accused of an offence: for example excessive caution in driving; destruction of evidence and risk averse practice in business to avoid prosecution for breach of regulatory requirements, disclosure rules in financial markets etc.

**Theoretical discussion** [link to relevant section in Bibliography]

**Preferred estimation methodology** There is no standard methodology: the costs and their estimation are context sensitive.

**Comments** Over deterrence occurs when the prospect of being held criminally liable deters individuals from engaging in socially productive activity. Stepping in to break up a fight might be misinterpreted by police arriving later at the scene. To avoid this risk a bystander might stay out of things even if their intervention would be potentially conducive to the public good. In fields such as financial services the development of 'defensive practice' by professionals seeking to avoid any possible accusations of wrongdoing potentially has serious costs. Such costs have not been estimated in cost of crime studies but they are certainly referred to in the literature on financial markets.

**Usage** normally ignored

**Offences normally included** environmental crime; financial regulation and corporate offences

**Formula**

**Data sources** occasional research studies may highlight costs in a particular setting but no data gather systematically

**Example**