

EastendHomes

Tenancy Fraud Strategy 2016-19

1. Introduction / Background

- 1.1 EastendHomes has responsibility for the management of affordable housing which is in scarce supply and significant demand, a disparity which is particularly acute in inner London. Therefore it is important to ensure that our properties are occupied by those who are entitled to live there, and to prevent any fraudulent occupation which denies a legitimate housing applicant the opportunity of having their own home. Tenancy fraud can also incur significant cost to public finances.
- 1.2 Prevention of fraud is a regulatory requirement and applies to all existing or prospective tenants. EastendHomes will take action to protect its assets and to ensure that they are used in the fairest and most effective manner.
- 1.3 This strategy should be read in conjunction with EastendHomes' Anti-Fraud Policy, which covers measures against corporate fraud and activities not directly connected with tenancy management; and EastendHomes' Property Audit Policy, which contains provisions for the scheme of tenancy and leaseholder audits which support anti-tenancy fraud activity.

2. What is Tenancy Fraud?

- 2.1 Tenancy fraud can be summarised as any unlawful misuse of the property relating to who lives in a property. Tenancy fraud includes, but is not restricted to:
 - Fraudulently obtaining a tenancy by providing false or misleading information relating to identity or circumstances
 - Obtaining a succession to a tenancy by providing false or misleading information
 - Assigning a tenancy to a third party without the consent of EastendHomes
 - Attempting to exercise a Right to Buy or Right to Acquire by providing false or misleading information to gain an undue advantage
 - A tenant who fails to occupy their property as their principal home (except in certain circumstances such as hospitalisation)
 - Sub-letting of the whole property, or multiple sub-lets within a property
 - 'Key selling' – abandoning the property to another occupier without informing EastendHomes in return for payment or reward in lieu
- 2.2 Tenancy fraud became a criminal offence under the *Prevention of Social Housing Fraud Act 2013*, and tenants should be made aware of this. EastendHomes will support efforts by a prosecuting authority to bring criminal charges for tenancy fraud where appropriate.
- 2.3 EastendHomes also has powers to enforce action against tenants found to be committing tenancy fraud, based on *The Housing Act 1985*, *The Housing Act 1996*, and *The Fraud Act 2006*. All EastendHomes tenancy agreements contain measures

to prevent fraudulent use of the tenancy or property, which make fraudulent use a breach of the tenancy as well as a potentially criminal act.

3. Impacts of Tenancy Fraud

3.1 EastendHomes has a stake in tackling tenancy fraud for the benefit of both the organisation and its lawful tenants or prospective tenants. Tenancy fraud can have the following harmful effects:

- Preventing applicants in genuine need from accessing social housing, meaning they may spend longer in overcrowded or temporary accommodation
- Properties which are used fraudulently are more likely to be neglected and experience disrepair which can incur a greater level of cost for EastendHomes to remedy when issues are identified
- Properties which are used fraudulently may be more likely to be associated with other illegal activity or anti-social behaviour
- Where a property is unlawfully sub-let, the sub-tenant may be unaware of their situation and find themselves at risk of financial losses, eviction and/or homelessness
- EastendHomes can incur substantial and potentially irretrievable financial losses if a fraudulent (Preserved) Right to Buy or Right to Acquire application is not identified, in addition to the loss of a property which could have been allocated to an applicant in genuine need

4. Tackling and Preventing Tenancy Fraud

4.1 EastendHomes takes tenancy fraud very seriously and will use all possible routes to regain a property where it is found that fraud is taking place. All EastendHomes staff with a role in tackling tenancy fraud will receive period training on how to identify, investigate and tackle tenancy fraud, and what EastendHomes' procedures are.

4.2 A key point in identifying tenancy fraud is during the application process or at the start of a tenancy, including successions and assignments. However EastendHomes also has in place actions to tackle suspected fraud identified during a tenancy. The lead officer for tenancy fraud activity is the Head of Housing Management Services, but all officers have a responsibility to take actions to prevent potential fraud occurring and to react to possible cases of tenancy fraud.

Applications

4.3 All of EastendHomes' social rented properties are let via the local authority allocations scheme. Responsibility for identity and fraud checks lies with the body administering this register.

4.4 EastendHomes will carry out an annual review of all existing tenants who are registered for a transfer to ask them to confirm that the details held on their application remain correct.

Sign-up or Assignments

- 4.5 When letting a property and signing up a new tenant, EastendHomes will carry out identity checks to verify that the applicant is who they claim to be, and to assist in carrying out anti-tenancy fraud checks in the future. This will include taking a photograph of the new tenant(s) as part of the sign-up procedure. All new tenants are made aware of their responsibilities under the tenancy agreement during the sign-up, including EastendHomes' position on sub-letting.
- 4.6 In keeping with the EastendHomes *Assignment, Succession, and Mutual Exchange Policy*, EastendHomes will seek to ensure that no financial inducements have been provided by either party taking part in an assignment or mutual exchange, and that appropriate fraud checks take place.

Tenancy Audits

- 4.7 EastendHomes will carry out a programme of tenancy (and leaseholder) audits, as set out in EastendHomes' *Property Audit Policy*. These will include checking on the occupants of a property amongst other potential breaches of the tenancy. Properties will be included on the programme on a rotational basis but may also be added *ad hoc* where fraud risk indicators are identified, such as:
- The property has proved difficult to access for annual gas servicing
 - Tenants who have not requested any repairs (or made contact generally) for a lengthy period
 - Tenants who maintain a clear rent account for an extended period and pay large sums in advance
 - Tenants who make payments from bank accounts held in a name other than those on the tenancy agreement.

This is not an exhaustive list and the *Property Audit Policy* includes a range of risk factors as well as providing for the random selection of a number of properties each year.

Property Sales

- 4.8 EastendHomes will carry out checks upon the receipt of any application for the Right to Buy or Right to Acquire a property. These checks will seek to confirm the applicants' right to occupy the property as well as their entitlement to purchase their home, and all of the other information supplied in support of their application.

Partnership Working and Public Awareness

- 4.9 EastendHomes will work with partners on initiatives and data-sharing exercises which seek to tackle fraud, such as the National Fraud Initiative. This information can be used to corroborate or challenge information supplied by a tenant to EastendHomes. Correcting any anomalies in such information for a genuine tenant can also be beneficial for the individual in developing a credit history.
- 4.10 EastendHomes may also participate in joint exercises to promote public awareness of tenancy fraud, including publicity campaigns and 'key amnesties'.
- 4.11 EastendHomes will respond to credible reports of suspected tenancy fraud which are received from members of the public, including those which are made anonymously.

Initial investigations into such reports will be carried out by the Housing Officer for the property.

- 4.12 As set out in Section 2, all routes of enforcement will be considered including action against breach of tenancy and referral for potential criminal prosecution.