



# TENANCY FRAUD POLICY

**Responsible Director:** Director of Homes & Wellbeing

**Responsible Manager:** Head of Homes and Wellbeing

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### B18 Tenancy Fraud

#### 1. Purpose

1.1 Tenancy fraud presents a serious challenge to Registered Providers. In order to prevent the mis-use of our properties NCHA must have a robust framework in place to tackle fraud wherever and whenever it arises.

1.2 Tenancy fraud is a breach of tenancy conditions and can be dealt with by landlords as both a civil and a criminal matter. Fraud generally falls into four categories:

1. **Not using the property as the “only or principal home”** - this includes:

- Abandoning the property or only occasional use
- Succeeding to or assigning the tenancy without the landlord’s permission after the legal tenant has moved out or died
- Unlawfully subletting part or all of the property
- Using the property for unlawful purposes e.g. storage of goods, cannabis farming etc.

2. **Attempting to obtain a property by using false statements** e.g. falsely claiming to be in necessitous circumstances

3. **Attempting to obtain a property by using false identity** e.g. using a forged passport or claiming to be someone else in order to access social housing

4. **Right to buy/Right to Acquire fraud** e.g. an existing tenant misrepresents their circumstances to either gain a discount they are not entitled to or exercises the Right to Buy/Right to Acquire when they are not entitled to.

The most common examples of right to buy and right to acquire fraud are:

- misrepresenting the length of a tenancy in order to gain a greater discount
- concealing a tenancy history e.g. not disclosing previous rent arrears, possession orders, transfers or evictions
- attempting to purchase a property whilst not using it as their only or principal home
- misrepresenting the household composition e.g. submitting a joint Right to Buy or Right to Acquire application with someone who does not reside at the property or who has not done so for the required period.

**For further information on this type of fraud and how to prevent it refer to the Voluntary Right to Buy policy and procedure.**

- 1.3 Taking effective measures against tenancy fraud is important in terms of providing a professional housing management service, complying with the HCA's Regulatory Framework and in preventing the mis-use of public funds
- 1.4 Tenancy fraud removes some control from the landlord since if they are not aware of who is living in a property, or that the property is being mis-used, it reduces their ability to respond effectively to cases of ASB, repairs issues and sustainability issues
- 1.5 Fraud also prevents landlords from offering suitable accommodation to those in most need.

### 2. References

- The key to tackling housing tenancy fraud (CIH)
- Prevention of Social Housing Fraud Act 2013
- Housing Act 1985
- Housing Act 1988
- NCHA Ineligibility Policy
- NCHA Lettings Policy
- NCHA Voluntary Right to Buy policy and procedure

### 3. Risks

- 3.1 The risks of not preventing and tackling fraud impact on the association in terms of reduced control over our stock, increased threat of ASB and money laundering.
- 3.2 The fraudulent mis-use of social housing is a waste of a public asset and prevents landlords from offering suitable accommodation to those in most need. The potential clawback of fraudently procured HB can lead to irrecoverable bad debts.
- 3.3 Reputational damage can be experienced where a landlord has insufficient control over its stock.

### 4. Process

NCHA's stance on tenancy fraud falls into three categories:

- **Prevent**
- **Detect**
- **Pursue**

**4.1 Prevent**

4.1.1 Preventative measures against tenancy fraud are the most cost effective way of tackling the issue. These measures are focussed on verifying information provided by the tenant on applying for social housing or when signing up for a new tenancy. Whilst the majority of applicants are in housing need a small percentage will use false documents to attempt to access social housing, neglect to inform the housing provider of a change in circumstances whilst on the housing register or will make false statements on their application form.

4.1.2 NCHA will make checks to verify an applicant's details to prevent fraud at the point of sign up. Verification checks will include:

- a) Verifying forms of ID
- b) Right to Rent checks
- c) Tenancy history
- d) Household circumstances

a) Verifying forms of ID

Acceptable forms of ID at the interview stage are:

- Full UK or EU driving licence (with photograph)
- 10 year UK or EU passport (with photograph)
- Home Office or DWP documents confirming status
- For elderly and disabled residents, the travel pass issued for free public transport (with photograph)
- Student travel card with photo

n.b. Where non-photographic evidence is all that is available TWO forms of ID must be provided

Secondary evidence

The following documents should not be accepted as proof of ID, but can be used to prove residency:

- National Insurance number card – check with originator
- Medical card with National Insurance number – check with originator
- Council tax/utility bill/bank statement – NOT downloaded
- Car registration documents – red version
- Driver's licence (without photograph) – old style
- Correspondence from Government Departments such as DWP, or Borders Agency

All ID documents will be scanned to file and linked.

Full face photographs will be taken in all cases (including where the person normally wears a Hijab, Berka or Niqab – as with Passports) and these will be

linked to individual tenancy records. Where a woman cannot normally have her photograph taken without wearing a Hijab help and advice will be sought from the Islamic Foundation.

An ID checklist will be completed by the Lettings Officer and signed by both themselves and the prospective tenant at the pre-sign up interview.

### b) Right to Rent checks

Right to Rent checks **must** be carried out on all housing applicants who apply for accommodation outside of any LA – run choice based lettings schemes, i.e. those people who have applied directly to the Association for housing. It is necessary to establish which applicants have come to the UK from outside of the EEA and therefore may not have a Right to Rent in this country. Such applicants may have a time limited Right to Rent or no Right to Rent at all.

**For further information on the Right to Rent and the correct checks to carry out, refer to the Ineligibility Policy.**

### c) Tenancy history

Insolvency checks will be undertaken.

### d) Household circumstances

Home visits will be undertaken when interviewing applicants prior to an offer of accommodation being made to establish the size of household and any other application details. All household members should be present. Where necessary, two staff members should attend the home visit for staff security.

## 4.2 Detect

4.2.1 Audit checks will be undertaken at first tenancy and 9 month Estate Officer visits. Audits allow landlords to verify who is living at an address, gather household data for the purposes of effective housing management and to identify any additional support needs for customers, which may be required.

4.2.2 Tenancy audit checks will also be made by Estates staff as part of their routine pre-arranged home visits to discuss tenancy matters with customers. Original photographs of customers from sign up will be taken along to these visits by Estates staff to check on the visual ID of the tenant. Where tenancy fraud visits have been undertaken an attribute will be placed on Open Housing to avoid duplication of tasks.

4.2.3 Reports of fraud can be made by telephoning NCHA during office opening hours and also out of office hours by telephoning the SMART service or by using the NCHA website. Reports may be made confidentially.

**4.3 Pursue**

- 4.3.1 Civil remedies - returning the property is the main aim of counter fraud action. For tenants who do not surrender the property NCHA will take civil action through the courts serving NTQs and NSPs where appropriate.
- 4.3.2 Criminal cases – a criminal offence of “parting with possession of a social tenancy” now exists. NCHA reserves the right to take action using this legislation where necessary.
- 4.3.3 All applicants and customers will be made aware that tenancy fraud will not be tolerated and will be dealt with swiftly and severely. This could result in them losing their tenancy and/or being referred to the Police or Borders Agency.