



# Tenancy Fraud Policy

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## **POLICY SUMMARY**

This policy demonstrates EPIC's strong commitment and approach to preventing, detecting, and reporting fraud. This policy outlines EPIC's response to dealing with allegations of Tenancy Fraud in our role as a Registered Provider.

### **1. APPLICABILITY**

The Policy applies to all tenants and customers of EPIC Housing.

### **2. INTRODUCTION**

This policy has been prepared with reference to the publication from the National Housing Federation entitled "Countering Fraud – A guide for housing association board members." Fraud is defined as: "deception deliberately practised in order to secure unfair or unlawful gain." The deception may involve fraud by false representation, fraud by failure to disclose information when there is a duty to do so and fraud by abuse of position.

### **3. CONTEXT**

Tenancy Fraud is a criminal offence, and we work proactively with partners in detecting, investigating, and prosecuting fraudulent activity.

There are a number of ways in which tenancy or benefit fraud takes place:

- Housing applicants failing to disclose information.
- Housing applicants forging landlord references.
- Landlords failing to disclose information about tenancy problems.
- People using tenancies as postal addresses or not using the property as their only or principal home.
- People illegally sub-letting their tenancies or selling their keys to the property to a third party.
- People trying to falsely succeed to a tenancy.
- People claiming single person discounts on council taxes when they are not living alone.
- People undertaking cash-in-hand work when they are claiming benefits.
- People claiming disabilities when they are capable of work.
- Couples claiming to live separately to maximise benefits.
- Family members attempting to purchase homes with right-to-buy or right-to-acquire discounts.

## 4. STATEMENT OF INTENT

We will adopt three strategies in tackling tenancy fraud:

### 4.1 Prevention

We will take all reasonable steps to minimise the potential for Tenancy Fraud to occur. Our approach to fraud prevention is based upon the following principles:

- Verification of information.
- Proper record keeping and data audit processes.
- Cross validation of data, including sharing data with other agencies as appropriate.
- Publicising the consequences of tenancy fraud to our customers.
- An assumption that all systems contain a potential for fraud which must be considered at system development stage.

Within our key housing operations, fraud prevention actions include:

- Advising applicants about their duty to supply accurate information prior to completing any forms and the risk associated with providing false information.
- Carrying out home visits where appropriate to applicants.
- Collecting key data from online forms or over the telephone and then cross referencing at the home visit.
- Compliance with the Right-to-Rent requirements by viewing and storing a digital image of approved documentation.
- Verifying landlord references.
- Checking applicants' information using various methods.
- Undertaking settling in, and subsequent, visits to properties.
- Investigating signs of non-occupancy.
- Sharing data with statutory agencies, including requirements within the National Register of Social Housing (NROSH).
- Publicising our approach on our website and in our reception area.

### 4.2 Detection

We will use the following mechanisms to detect fraud:

- Information given by neighbours or other agencies.
- Information obtained through home visits.
- Checking records of repairs and access to the property.
- When an abandonment is suspected checking with the Council's Fraud Prevention Team and/or the Department for Work and Pensions.
- Regular checks on staff actions.
- Interviews with suspected fraudsters under caution conducted by the local authority with a member of our staff present.
- Checking credit reference agency records as part of wider fraud detection in conjunction with the local authority and the National Fraud Initiative.

### 4.3 Enforcement

Our approach to enforcement will be based on the following principles:

- We will take the strongest possible measures when fraud is detected.
- Where housing applicants have acted fraudulently, we will exclude them from reapplying for one of our properties for a period of 12 months.
- In cases of tenancy fraud, we will generally seek eviction and assist statutory agencies where appropriate.
- We will treat all acts of fraud as potentially criminal and will always inform the appropriate statutory agencies where appropriate.

## 5. LEGISLATIVE REQUIREMENTS

EPIC will comply with the following applicable laws and legislation:

- [Prevention of Social Housing Fraud Act 2013](#)
- [Housing Act 1985](#)
- [Housing Act 1988](#)
- [Theft Act 1968](#)
- [Proceeds of Crime Act 2002](#)
- [Data Protection Act 2018](#)
- [Fraud Act 2006](#)
- [Bribery Act 2010](#)
- [Criminal Procedures Investigation Act 1996](#)
- [Public Interest Disclosure Act 1998](#)
- [Police and Criminal Evidence Act 1984](#)

EPIC will comply with the specific expectations of the Regulator of Social Housing's (RSH) Governance & Financial Viability Standard which requires registered providers to "provide accurate and timely returns to the regulator, including an annual report on any losses from fraudulent activity, in a form determined by the regulator."

### Key Legislation

The **Prevention of Social Housing Fraud Act 2013 (PoSHFA)** made the subletting of the whole of a social-rented dwelling a criminal offence and introduced two new criminal offences:

- I. Where the tenant sublets or parts with possession of a property or ceases to occupy the property, knowing that it is a breach of tenancy. A person convicted of this offence can be fined an unlimited amount.
- II. Where a tenant dishonestly and in breach of tenancy, sublets without consent and ceases to occupy the property as their only or principal home. A person convicted of the second offence can be imprisoned for up to two years and/or fined an unlimited amount.

**PoSHFA** enables local authorities the ability to prosecute in cases of unlawful subletting on EPIC's behalf and provides the Court the authority to order the tenant to pay back any profit made from unlawful subletting; these are referred to as **Unlawful Profit Orders**. These are available in both criminal and civil proceedings.

The **Fraud Act 2006** states that a person is guilty of fraud if they are in breach of the following:

- I. Fraud by false representation.
- II. Fraud by failing to disclose information.
- III. Fraud by abuse of position.

A person who is found guilty of fraud is liable, on conviction, to a maximum sentence of 10 years imprisonment and/or a fine.

## 6. RESPONSIBILITIES

The roles and responsibilities for key stakeholders across EPIC are detailed below.

### **The Board**

The Board has overall responsibility for this policy, with delegation to the Audit and Risk Assurance Committee, and is responsible for making sure that:

- An anti-tenancy fraud culture is established and promoted.
- Effective controls are in place to prevent and detect tenancy fraud.
- All instances of tenancy fraud and suspected tenancy fraud are investigated promptly and thoroughly.
- Further action is taken with the appropriate authorities when necessary.

### **Executive Team**

- Making sure their areas of the business consider tenancy fraud risk and that effective controls are in place to manage these risks.
- Encouraging colleagues to report legitimate concerns regarding tenancy fraud promptly.

### **Director of Housing Management**

- Communicating the importance of tenancy fraud prevention, detection, and investigation to colleagues.
- Responding promptly to allegations of tenancy fraud and reporting these directly to the Staffordshire Counter Fraud Partnership, Governance, Risk and Assurance.
- Ensure that their colleagues are aware of their responsibilities and receive appropriate tenancy fraud awareness training.

### **Housing Manager**

- Developing and implementing operational procedures to deliver the policy objectives.
- Embedding the policy through staff training, learning and development.
- Ensuring that there are adequate checks and controls in place to ensure that this policy is effective.
- Evaluating, amending, and enhancing the delivery of this policy.

## 7. TRAINING

The Housing Manager will ensure that all staff are trained in the operational requirement of this policy by:

- supporting colleagues with the identification of tenancy fraud risks for existing and new customer-based housing solutions.
- implementing proportionate internal controls and procedures to reduce the risk of fraud being committed.
- sharing best practice and lessons learnt with other housing associations and local authorities.
- providing information to colleagues, so they know:
  - what tenancy fraud is and how it takes place;
  - the kinds of activity that should raise suspicion; and
  - when and how to report suspicions.
- giving targeted training to colleagues so they know how to:
  - identify fake and forged documents and the warning signs that indicate tenancy fraud may be taking place;
  - recognise how tenancy fraud may present itself in their areas of expertise; and
  - to report suspicions to the Staffordshire Counter Fraud Partnership.
- providing mechanisms:
  - for customers, neighbours, and other stakeholders to report suspicions or concerns about tenancy fraud; and
  - promote these widely using a variety of media and explain clearly how to access them.

## 8. DATA VALIDATION, REVIEW AND MONITORING

EPIC will keep tenant and customer information gathered and obtained throughout the application process and the life of the tenancy fulfilling the relevant legislation, including the Data Protection Act.

## 9. EQUALITY AND DIVERSITY IMPLICATIONS

We are committed to promoting equality of opportunity for all. We are opposed to discrimination on any grounds regardless of age, disability, gender reassignment, pregnancy, race, religion or belief, sex, and sexual orientation.

We are committed to developing a culture that values people from all sections of society and the contribution which each individual can make. We will ensure our approach to accessing properties is considerate to people's individual needs. We also adhere to the Equality Act 2010.

EPIC Housing recognises that some people experience disadvantage due to their socio-economic circumstances and will strive to ensure no person or groups of persons is treated with injustice due to their personal circumstances.

EPIC will ensure that all services and actions are delivered within the context of current Human Rights legislation and will make sure the central principles of the Human Rights Act (1998) will be adhered to.

## **10.MONITORING / REVIEW**

This policy will be reviewed every 3 years. A review may be conducted earlier if there are significant changes to either legislation or EPIC's operating practices.

## **11.ASSOCIATED DOCUMENTS**

- Tenancy Audit Procedure
- Equality and Diversity Policy

**Version Control**

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