



CDS Co-operatives

Tenancy Fraud policy

Date Approved	September 2024
Responsible officer	Kristell Marcantoni
Review due	New policy
Next review date	November 2027

1 Introduction

- 1.1 Tenancy fraud has a direct impact on our customers and their communities. It deprives legitimate customers of access to social housing and breaches legal and regulatory requirements concerning the use of public funds. CDS is therefore committed to secure the use of its properties for the customers they were intended for and will take action against tenancy fraud whenever it is uncovered.
- 1.2 This policy sets out our approach to preventing and tackling tenancy fraud by customers in our rented homes and the illegal sub-letting of shared ownership homes. It sets out our commitment to work with our customers and other agencies to detect and investigate suspected fraud. It also sets out the action we may take against the perpetrators of fraud. Tenancy fraud and other technical terms are defined in Annex 1.

2 Policy

2.1 We will:

- Comply with relevant statutory and regulatory requirements;
- Work in partnership with other agencies to prevent and detect tenancy fraud;
- Take action against our own customers where we suspect identity fraud;
- Support local authorities pursuing action against our customers by sharing information and where appropriate taking joint civil action; and
- Take action to resolve the breach of tenancy where tenancy fraud is detected

3 Background

- 3.1 The Prevention of Social Housing Fraud Act 2013 made it a criminal offence for customers to sub-let or part with possession of their home or any part of it without permission. The Act gave local authorities the power to bring about a criminal prosecution in relation to tenancy fraud. This action may be taken on behalf a Registered Provider (RP). Convictions can result in fines of up to £50,000, a two-year imprisonment or both.
- 3.2 Social Landlords are able to pursue proceedings in the civil court for possession of the property due to the breach of tenancy. Social Landlords may also apply for an Unlawful Profit Order, where it's believed that the customer has made money as a result of their illegal conduct.
- 3.3 The Regulator of Social Housing requires that Social Landlords publish clear and accessible policies which outline their approach to tackling tenancy fraud. Social Landlords must also make sure their homes continue to be occupied by the

customer they were let to for the duration of the tenancy. See Annex 2 for the specific details of this requirement.

- 3.4 Homes England requires that shared ownership leases must prohibit sub-letting to protect public funds and to ensure shared owners are unable to enter into shared ownership for commercial gain. However, Social Landlords may permit sub-letting in certain closely specified exceptional circumstances.
- 3.5 This policy supports the delivery of our corporate objective to meet our legal and regulatory requirements in respect of the occupation of our rented homes.

4 Preventing Fraud occurring

4.1 We will focus on preventing tenancy fraud occurring in the first instance by carrying out a range of checks as part of our tenancy allocation and letting practices. They include:

- Collecting information from the customer in order to verify their identity and right to reside in the UK;
- Conducting financial history and tenancy checks;
- Taking or asking for photographs of customers and linking these to customer records; and
- Sharing information with local authority choice based lettings schemes across the country who may also carry out checks on applicants and those they nominate for homes.

4.2 We will conduct checks soon after the start of a new tenancy to ensure that the person we granted the tenancy to moves in, and is living in the property.

4.3 We will work in partnership with other agencies to prevent and detect tenancy fraud in our homes and communities. This includes local authorities and the Department for Work and Pensions.

5 Detecting suspected fraud

5.1 We will continue to be alert to the possibility of tenancy fraud throughout the duration of the tenancy. We will take security details from customers to verify their identity whenever customers contact us on-line or by phone.

5.2 We will use feedback from tenancy visits to help identify suspected fraud and, from time to time, we will conduct occupancy checks on tenancies at high risk of fraud.

5.3 There is often a high risk of fraud occurring after we have refused an application to change the tenant or occupiers of a property. This might happen, for instance, after

a customer has applied for a mutual exchange, asked our permission to take in a lodger, applied to change to a joint tenancy or in cases where we have refused a succession to the tenancy. We will monitor these tenancies carefully after we have refused permission and act quickly if an unauthorised change of occupant occurs.

- 5.4 All our customer-facing employees are trained to recognise the potential signs of tenancy fraud. This training includes details of what they need to do if they suspect fraud. All reports of suspected fraud from third parties will be treated seriously. Investigating suspected fraud.
- 5.5 We will conduct investigations into all cases of suspected tenancy fraud. Information we collect during the investigation, including information about the suspected fraudster, may be used as evidence in criminal and civil proceedings, or to provide tenancy fraud data to our partners and the Regulator.
- 5.6 All relevant legal requirements will be adhered to during the course of our investigations and when we take action against perpetrators of tenancy fraud, such as the Human Rights Act 1998, Equality Act 2010, General Data Protection Regulation 2016 and the Data Protection Act 2018.
- 5.7 If the customer does not end their tenancy, we will take proportionate action against them. This may include injunctive action; action to recover possession of the property; or action to enforce the lease.
- 5.8 If we believe the perpetrator of tenancy fraud has gained financially from their deception, we may seek to recover financial costs and damages from them. This includes obtaining an Unlawful Profit Order in relation to any profit made from sub-letting the property, plus the costs of any legal action.
- 5.9 We will support statutory agencies such as the local authority if they decide to pursue criminal action against our customers. This may include providing information to support criminal action proceedings or by taking joint action against the customer.

6 Supporting victims of fraud

6.1 For subtenants and unauthorised occupants, CDS's approach, in terms of both advice and assistance offered to them, will be determined by the unique circumstances of each case.

7 Customer awareness of tenancy fraud

- 7.1 We will increase customer awareness of the common signs of tenancy fraud in their communities through our quarterly newsletter and on our Website.

- 7.2 How to report housing and tenancy fraud at CDS
 - 7.2.1 Call your Housing Officer: 020 8551 0080
 - 7.2.2 Email us: talktous@cds.coop
 - 7.2.3 You don't need to leave your details when giving us the fraud information. If you do want to leave your details, they will be kept in the strictest confidence.
- 7.3 Customers who suspect benefit fraud will be encouraged to report this to their local welfare benefit fraud team. CDS will also report suspected benefit fraud where we become aware of or suspect this.
- 7.4 We may publicise our successful fraud investigations, subsequent enforcement action and the outcomes to our existing customers.
- 7.5 We may work with local and national specialist tenancy fraud forums and networks to share best practice and continually improve our approach to tackling tenancy fraud.

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8 Monitoring, auditing and controls

8.1 The Head of Housing Services will regularly provide reports in relation to caseload, progress, reporting trends and risk to the Senior Management Team.

8.2 The details of the fraud will be added to the Fraud Report presented to our Finance, Audit and Risk committee.

9 DATA PROTECTION

9.1 CDS will implement this policy in compliance with all relevant statutory and regulatory data protection requirements.

10 EQUALITY AND DIVERSITY

10.1 CDS will ensure that this policy is applied fairly and consistently and will not directly or indirectly discriminate against any person or group in line with equality law and principles.

10.2 We will act sensitively towards the diverse needs of individuals and will take positive action where appropriate. We may provide communications in alternative languages or formats and or interpretative or transcriptive assistance where appropriate to assist customers with distinct communication needs.

11 LEGAL FRAMEWORK

11.1 This policy is informed by the following regulation and statute:

- Prevention of Social Housing Fraud Act 2013
- Housing Acts 1985 and 1988
- Fraud Act 2006
- Criminal Procedures and Investigations Act 1996
- Proceeds of Crime Act 2002
- Data Protection Act 1998

12 ASSOCIATED DOCUMENTS

12.1 This policy is supported by the following policies:

- Allocations Policy and Lettings Policy
- Succession Policy
- Tenancy Agreement

Annex 1 : Definitions

Term	Description
Tenancy fraud (also called social housing fraud)	<p>For the purpose of this policy, Tenancy Fraud falls into four defined categories:</p> <ul style="list-style-type: none"> • Unlawful subletting – where the legal tenant sublets their property or allows their property to be sublet without the knowledge or permission of their landlord. • Unlawful tenancy succession– where a tenant dies and someone who is not eligible tries to succeed the tenancy. • Obtaining housing by deception – this is where a person(s) obtains a tenancy via the local authority or housing association by providing false or misleading information in order to secure this accommodation. For example: not declaring ownership of private property, failure to disclose renting/occupation at another property and/or failing to be honest or accurate in respect of reported household composition. • Key selling – where the tenant, or someone acting on their behalf or with their acquiescence accepts payment to give a third party his or her keys. <p>All of the above examples of Tenancy Fraud may prevent an eligible household in need of accommodation from being housed. The above definitions are for guidance only and are not exhaustive. It should be noted that incidents may include behaviour not perpetrated by the tenant, or prospective tenant, which still result in fraudulent use or acquisition of a social housing tenancy.</p> <ul style="list-style-type: none"> •

Annex 2: Relevant excerpts from The Tenancy Standard

The Regulator of Social Housing has set out consumer standards which apply to all Registered Providers (Social Landlords). The Regulator will intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants.

The following information is taken from the Tenancy Standard.

2.2 Tenure

2.2.1 “Registered providers shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud...”

2.2.6 “Registered providers shall make sure that the home continues to be occupied by the tenant they let the home to, in accordance with the requirements of the relevant tenancy

agreement, for the duration of the tenancy, allowing for regulatory requirements about participation in mutual exchange schemes.”

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