



City of London Corporation

Social Housing Tenancy Fraud – Anti-Fraud & Prosecution Policy

Index

| | |
|---|----------|
| 1. Introduction | 2 |
| 2. Background | 2 |
| 3. Policy Aims & Objectives | 2 |
| 4. What is tenancy fraud?..... | 3 |
| 5. Impact of tenancy fraud..... | 3 |
| 6. What is the City of London Corporation doing to combat tenancy fraud? ... | 4 |
| 7. Legislation & Legal Proceedings..... | 5 |
| 8. What factors will the City of London Corporation consider when deciding whether or not to institute criminal proceedings? | 5 |
| 9. Governance | 6 |
| 10. Review..... | 6 |
| 11. Appendix A – Criminal Prosecution Checklist | 7 |



1. Introduction

1.1 This policy outlines the City of London Corporation's approach to dealing with social housing tenancy fraud.

2. Background

2.1 The City of London Corporation owns and manages in excess of 1900 social housing properties across the City of London and in six other London Boroughs - Hackney, Islington, Southwark, Tower Hamlets, Lambeth and Lewisham. Social housing is provided to eligible persons, in need that could otherwise have difficulty in affording private rents or home purchase. Social housing rents charged by the City of London Corporation are substantially lower than those charged for similar properties in the private sector.

2.2 Since April 2013, those applying for Social Housing with The City of London Corporation require a one year connection in terms of residency or employment (minimum 16 hours per week) in The City of London, to be eligible. Prior to this there was no residency or employment criteria to be eligible to apply for Social Housing with the City of London Corporation, but those who applied without such a connection to The City of London, would be awarded a lower housing priority as part of the choice based lettings process operated by the City of London Corporation.

2.3 Social Housing provided by The City of London Corporation is highly sought after, owing to the location and quality of the housing provided; this makes the City's social housing desirable to fraudsters, who can make substantial profits from sub-letting.

2.4 The National Fraud Authority, Annual Fraud Indicator (June 2013) estimates that the cost of social housing tenancy fraud to Local Authorities across the UK amounts to £845m annually, with at least 5% of social housing properties in major City's either obtained fraudulently or subject to illegal sub-letting.

2.5 In October 2013, the Prevention of Social Housing Fraud Act came in to force; this Act criminalised unlawful sub-letting, and gave additional powers to Local Authorities to investigate social housing tenancy fraud. The City of London Corporation is committed to taking robust action against those that seek to abuse the social housing it provides.

3. Policy Aims & Objectives

3.1 The City of London Corporation is committed to tackling social housing fraud across its housing estates. The City of London Corporation will tackle unlawful subletting and tenancy misuse promptly and effectively, to ensure its housing stock is used by those with legitimate housing need.

3.2 The key objectives of the tenancy fraud policy are to;

- i. Underpin the City's zero-tolerance approach to housing fraud, seeking possession orders, prosecution and restitutionary payment (unlawful profit orders, under the provisions of Prevention of Social Housing Fraud Act 2013) in all appropriate cases;
- ii. Proactively prevent fraudulent activity;



- iii. Raise awareness amongst staff and the public about tenancy fraud and what that means;
- iv. Encourage staff, residents and members of the public to report suspected cases of tenancy fraud to the City of London Corporation;
- v. To deal efficiently and effectively with reports and allegations of social housing tenancy fraud; and
- vi. Work in partnership with Registered Providers (Housing Associations) to share information, data and resources, where appropriate

4. What is tenancy fraud?

4.1 Tenancy fraud or misuse can present itself in various forms and can occur at any stage during the course of a tenancy.

4.2 The following list is not exhaustive, but does include the main types of tenancy misuse:

- i. Illegal sub-letting of the whole property, whether for financial gain or otherwise;
- ii. Obtaining social housing by deception, by providing false or misleading information;
- iii. Making a fraudulent application for social housing, by providing false or misleading information;
- iv. Fraudulent Right to Buy (RTB) applications;
- v. Fraudulent succession of tenancy;
- vi. Unlawful assignment of a social housing tenancy to another; and
- vii. Key selling – where the tenant leaves the property and passes on the keys in return for a one off lump sum payment or favour.

4.3 In many instances unlawful subletting generates lucrative profits for individuals or organised groups. It is therefore essential that the City of London Corporation can demonstrate that those occupying its housing are those who have properly demonstrated their need for such accommodation.

Please note – tenancy misuse does not refer to cases where tenant(s) have taken in a lodger or sublet part of their property with the City Corporation's prior written consent.

5. Impact of tenancy fraud

5.1 Failure to tackle social housing tenancy fraud has a number of effects on the City Corporation, its tenants, and its residents. These are;

- i. that the City's housing stock is not put to best use;
- ii. increased waiting times for prospective tenants and existing tenants wishing to move;
- iii. an increased risk of disrepair and damage to the property due to a reluctance to report repairs or accept improvements, and from modifications to make the property more suitable to sub-let;
- iv. increased risk of criminal damage or anti-social behaviour;
- v. added difficulties gaining access to carry out maintenance repairs or gas servicing;
- vi. the unlawful sub-tenant(s) who may not be aware of their status can be vulnerable to being charged increased rents and deposits and are at risk of unlawful evictions and homelessness;
- vii. impact on resources due to the costs of investigation and court proceedings; and
- viii. risk to the City's reputation from failure to tackle social housing tenancy fraud.



6. What is the City of London Corporation doing to combat tenancy fraud?

6.1 The City of London Corporation undertakes a range of measures to combat tenancy fraud. These are listed below:

Awareness – the City of London Corporation highlights the consequences of tenancy fraud and the methods with which it can be reported via its website and tenant engagement, such as estates newsletters and Your Homes magazine.

When making an application – Prior to a potential tenant being accepted onto the City's waiting list identity, address and financial checks will be carried out to verify the information provided by the applicant(s) is correct.

Prior to the offer of a tenancy – Before a tenancy is allocated, the City carries out a series of identification and verification checks to ensure that the prospective tenant and their family household/circumstances are what they say they are. Proof of essential data is required, such as birth certificates, passports, immigration papers or driving licences. The City reserves the right to verify these documents with external organisations.

At the start of the tenancy - The City endeavours at all times to ensure the right people are allocated suitable housing that meets their housing need. Housing Allocations staff are aware of the potential for social housing tenancy fraud and the importance of the robust application process for preventing tenancies being obtained by deception.

Tenancy inspection visits – A programme of tenancy inspection visits, will see all tenants visited on a periodic basis; such visits are designed to capture data required on household members for wider purposes (such as overcrowding), to ascertain whether any repairs or maintenance is required, and to identify possible sub-letting.

Responding to reports – The City of London Corporation takes all reports of alleged tenancy fraud seriously and will undertake appropriate investigation activity in order to establish the facts.

Publicity campaign - The City of London Corporation will undertake periodic publicity campaigns to raise awareness with residents and the public that they are able to report suspected cases of tenancy fraud (anonymously if they wish). Where appropriate, and as a result of a successful investigation, the City will issue press releases in individual cases where publicity is deemed to be within the public interest.

Court action – Where there is deemed to be sufficient evidence of social housing tenancy fraud, the City of London Corporation will pursue cases through the Civil and/or Criminal Courts as appropriate. The check-list at **Appendix A** to this Policy will be utilised to assist in the decision to instigate criminal proceedings. Civil proceedings will be instigated on instruction from the Director of Housing or his representative.

National Fraud Initiative (NFI) – the City of London Corporation participates fully in the Audit Commission's NFI and submits data bi-annually to be matched against private and other public sector bodies to highlight instances where data provided by one party matches that held by another, indicating possible cases of social housing tenancy fraud.



Pro-active Fraud Drives – The City of London Corporation undertakes pro-active fraud drives in partnership with public and private sector organisations, in order to identify social housing tenancy fraud.

Registered Social Landlord liaison – where appropriate, the City of London Corporation works with Registered Social Landlords to jointly tackle tenancy fraud and share information.

Staff involvement in fraud – the City of London Corporation takes a zero-tolerance approach to employees found to have been involved in social housing tenancy fraud. The City of London Corporation will deal with such matters in-line with its Corporate Anti-fraud and Corruption Strategy.

Reporting a Concern – the City of London Corporation actively encourages people to report social housing tenancy fraud, and maintains a dedicated fraud hotline – 020 7332 3663, and email address – raiseyourconcern@cityoflondon.gov.uk to enable people to effectively raise their concerns.

7. Legislation & Legal Proceedings

7.1 The Comptroller & City Solicitors Department is responsible for identifying and recommending the most suitable legislation under which to instigate proceedings. The following legislation will be considered in cases of Social Housing Tenancy Fraud:

- a. Fraud Act 2006
- b. Prevention of Social Housing Fraud Act 2013
- c. Housing Act 1985
- d. Housing Act 1988
- e. Theft Act 1968
- f. Proceeds of Crime Act 2002

7.2 The decision on whether to instigate prosecution proceedings will be taken by an Officer of the City of London Corporation, with an appropriate delegation of powers; this includes the Head of Audit & Risk Management and the Business Support Director.

8. What factors will the City of London Corporation consider when deciding whether or not to institute criminal proceedings?

8.1 The City of London Corporation will normally consider instituting criminal proceedings where there is sufficient evidence to prove that there has been a social housing tenancy fraud.

8.2 Each case will be reviewed and considered for criminal proceedings on its own merits.

8.3 When considering whether a case is suitable for criminal proceedings the City of London Corporation will take into account the following:

- i. The seriousness of the offence(s) committed;
- ii. The duration of the fraud;
- iii. The number of false statements;
- iv. Whether counterfeit documents were produced/furnished;
- v. Whether the tenant has a beneficial interest in any other property;
- vi. Whether the fraud was premeditated;



- vii. The level of deception;
- viii. The tenants financial circumstances;
- ix. The tenants housing need;
- x. The criminal benefit (how much money has been made from the fraud);
- xi. Whether any similar offences have been committed in the past;
- xii. The outcome from any interview under caution;
- xiii. Any civil proceedings taken against the tenant to recover the tenancy, and the nature of such proceedings; and
- xiv. Whether criminal proceedings are in the public interest.

8.4 The City of London Corporation will likewise take into account matters which may mitigate the seriousness of the offence(s) committed.

8.5 Any decision as to whether or not to prosecute will also take into account the Code of Conduct for Crown Prosecutors as well as the policy matters set out above.

9. Governance

9.1 The Audit & Risk Management Committee review the City's activities for tackling and investigating all types of fraud, including social housing fraud, this Committee receives quarterly Anti-fraud & Investigation up-date reports detailing the City's work in this area.

10. Review

10.1 This Policy will be reviewed by 31st March 2016, or sooner should there be any significant changes to legislation or Policy.

| Version No. | Date | Comment | Author |
|--------------------|-------------|---|---------------|
| 1 | 27/03/2014 | 1 st Draft Complete | Chris Keesing |
| 1.1 | 01/04/2014 | Updated following HARM review -minor changes | Chris Keesing |
| 1.2 | 03/04/2014 | Updated following C&CS review – minor amendments | Chris Keesing |
| 1.3 | 08/04/2014 | Updated following review by Business Support Director | Chris Keesing |
| | | | |
| | | | |



11. Appendix A – Criminal Prosecution Checklist

| | Yes | No |
|---|-----|----|
| Is there evidence to support housing tenancy fraud? | | |
| Does the evidence available support criminal action? | | |
| Has civil action been instigated to recover the tenancy? | | |
| Has the tenant voluntarily returned possession of the property to the City of London Corporation? | | |
| Has the tenant voluntarily offered or agreed to return possession of the property to the City of London Corporation? | | |
| Has the tenant been dishonest in his/ her dealings with the City of London Corporation? | | |
| Have false statements been made on the housing application form, housing census form, tenancy inspection form, or any other documents provided in support of a tenants housing application or the maintenance of their tenancy? | | |
| Have multiple false statements been made? | | |
| Have fraudulent or counterfeit documents been provided in support of an application for social housing or during the course of a tenancy with the City of London Corporation? | | |
| Has a false statement(s) made by the tenant applicant given him/ her a pecuniary advantage for social housing with the City of London Corporation over others? | | |
| Have breaches of the City of London's Housing Allocation Policy been considered as part of this case? | | |
| Has the tenant/ applicant got recourse to public funds? | | |
| Has a PACE compliant Interview Under Caution been undertaken? | | |
| Was the suspect represented legally? | | |
| Has the tenant admitted dishonesty at Interview Under Caution? | | |
| Has the tenant admitted any offence or breach of their tenancy conditions? | | |
| Is the suspect aware of the consequences of providing false information? | | |
| Is prosecution action consistent with action taken in other similar cases? | | |
| Was the tenant suffering any form of oppression, victimisation or abuse that led him or her to make a false statement? | | |
| Has the tenant made a profit from unlawful sub-letting? | | |
| Do we have evidence of any profit made from unlawful sub-letting? | | |
| Will we be seeking an unlawful profit order? | | |
| Is criminal prosecution action in the public interest? | | |
| Has the evidence been exhibited and produced fully and correctly by the case investigator? | | |
| Have disclosure schedules been produced and checked? | | |
| Has a case summary been produced? | | |
| Has the case been reviewed by the Senior Investigator – is their consideration and recommendation noted? | | |
| Have any other offences been identified as part of this investigation, such as Housing Benefit or Council Tax Reduction fraud? | | |