

Appendix 4 – Social Housing Tenancy Fraud Case Studies 2022/23

Sole tenant at McAuley Close on Southwark Estates.

Sole tenant on Southwark Estates since January 2015. The tenant failed to respond to Tenancy Audit undertaken to establish current circumstances of tenants living arrangements. This matter was referred to the Counter Fraud & Investigations Team, where initial credit and financial checks linked tenant and a probable partner to an address in Wales owned by the partner. Two other persons were found to be linked to the City's social housing address in the same period.

Further checks via council tax and social media enquiries suggested that tenant had moved to different properties in Wales, and was now living with her husband at the address he owns. Additional enquiries found that our tenant was working as a dentist. New addresses were identified for two persons previously linked to the City's social housing address and contact was made with them and witness statements obtained, we established that they were both former sub-tenants who had paid rent to the tenant and her partner via bank transfer whilst living at the social housing property for two years, during the period that our tenant was living in Wales. Attempts were made to interview both the tenant and her partner under caution on separate dates. Both attended, but following pre-interview disclosure to their legal representatives, they were advised to refuse the opportunity of an interview to provide their accounts and any mitigation.

At Inner London Crown Court the tenant, who had no previous convictions, pleaded guilty to the offence of fraud contrary to section 4 of The Prevention of Social Housing Fraud Act 2013. Financial penalties were imposed on her. She was ordered to repay the amount gained from the offending through an unlawful profits order (UPO), a sum of £13,125.60, and given six months to repay. The tenant was also fined £1,000 and ordered to pay £1,000 towards the Prosecution costs within six months. The defendant has repaid this UPO in full.

Sole tenant at Isdeden House, Sheltered Housing Property

This case was highlighted by the National Fraud Initiative as a case where the tenant was identified as owning a property. Our enquiries found that the tenant failed to declare ownership of a property in Islington that he had purchased from Islington Council under the right to buy scheme, many years before being making his application and being awarded a tenancy with the City. After being awarded the City's tenancy, the tenant went on to rent this property out to other persons from the date he became our tenant. The fraud had afforded him considerable financial benefit ever since, a criminal benefit figure of £86,620.40. At formal interview, the tenant made a full and frank admission of the offence, stating that he was lonely and wanted to be around persons of his own age. He had claimed to be renting his property from his son, who himself privately owned an adjacent property in the same block. The tenant provided false tenancy agreement documents and made false declarations in his application.

Following formal interview, the tenant relinquished possession of the property immediately and pleaded guilty to charges contrary to Section 1 of the Fraud Act 2006. He was given 6 months imprisonment, suspended for two years and a three-month electronic curfew (tag)

Appendix 4 – Social Housing Tenancy Fraud Case Studies 2022/23

between 10pm and 6am. Under POCA (Proceeds of Crime Act 2002) powers the tenant was ordered to pay a confiscation order to the value of £91,480, to be paid in 3 months. To this point he has paid £39,566.81, whilst the court has granted a three-month extension to allow the defendant to pay the balance.

Sole tenant at Petticoat Tower on Middlesex Street Estate

Sole social housing tenant from 09/09/2019 until 26/06/2022. An investigation into the tenants social housing tenancy commenced after concerns were raised about another lady seen at the property by Estate Management. Intelligence checks revealed a new linked address for the tenant, indicating she was living at this property with her partner, the father of her children. Investigation Officers visited the City's social housing property and spoke to another lady at the property, who was herself paying another lady to reside at the address. It transpired that this person was a sub-tenant herself.

A witness statement was obtained from the sub-tenant who provided a copy of the tenancy agreement she had with the tenant and a chronology of rent payments made via bank transfer to her. The circumstances were explained to the sub-tenant who and the lady residing at the address left as did the sub-tenant soon after. The sub-tenant was paying monthly rent to the tenant of £1,200 per month. The tenant was failing to pay her social housing rent and arrears were escalating, therefore all the income she received from the sub-let arrangement was unlawful profit. This totalled £3,300. The tenant was interviewed under caution and admitted to the offence of unlawfully sub-letting. She vacated the address, relinquishing the tenancy soon after.

Tenant pleaded guilty to a breach of section 1(2) of the Prevention of Social Housing Fraud Act 2013. £3,300 unlawful profit order, £120.00 fine, £34.00 Victim surcharge, £185.00 costs. Due to low income.

Sole Tenant, Cullum Welch House on Golden Lane Estate

Investigation commenced into a sole tenancy at property on the City's Golden Lane Estate. The now former tenant was identified as owning another property through National Fraud Initiative data matching. Initial credit reference agency and financial checks revealed a link for the tenant with an address in North London, via a mortgage arrangement. A Land Registry search confirmed that the tenant jointly owned this property, although she was not liable for Council tax at the address and the majority of her links remained at her social housing property where she was liable for Council tax. No other persons were identified as being linked to the social housing address, so no indication of sub-letting. The tenant was interviewed under caution and accompanied by a Legal Representative. The tenant argued throughout the interview that she had assisted a friend with a poor credit history in obtaining a mortgage at the property but had no financial interest. The tenant provided evidence that her friend was solely responsible for the mortgage and said that she intended now to have her name removed from the deeds.

Appendix 4 – Social Housing Tenancy Fraud Case Studies 2022/23

However, the tenant had failed to declare property ownership on her housing application and a later census form and had also failed to declare any connection via mortgage arrangements on both forms. There is also ample space on the forms to explain any personal circumstances and nuances, so the Housing Allocations team can decide on eligibility. Following interview, the tenant agreed to relinquish possession of the property and it has now been allocated to someone in more genuine need of social housing.