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Tenancy Fraud Policy

1.0 Introduction

1.1 Tenancy fraud is when a tenant provides false information to gain a property, sublets the property to someone else, or does not use the property as their only or main home.

Accredited official statistics - Fraud and error in the benefit system, Financial Year Ending (FYE) 2025

The annual statistics for Fraud and Error in the Benefit System for the financial year ending 2025, were published on Thursday 15 May 2024, at 9.30am. Today's figures confirm the overall rate of overpayments is now **3.3%** (£9.5bn) for 2024/25, compared to 3.6% (£9.7bn) in 2023/24.

1.2 The Fraud Act 2013 enables a **maximum penalty** of 6 months in prison, a **fine** and an Unlawful Profit Order (UPO). The second more serious **offence** requires **dishonesty**. It can be heard in either the Magistrates or Crown Court. The **maximum penalty** is **2 years imprisonment**, a **fine** and a UPO.

1.3 **Housing – Tenancy Fraud Impact:**

Fraud investigation results for 2024 -2025 financial Year

The National Fraud Authority have estimated the cost of **tenancy fraud** to be £900 million. Aside from the clear financial risks to social landlords, **tenancy fraud** creates negative social **impact** and stops communities from thriving.

2.0 Purpose

2.1 The main purpose of this policy is to ensure Coastline is using it's resources and housing stock effectively and efficiently.

2.2 As a registered charity, not only is it imperative that Coastline ensures that it's resources are focused on providing housing for those that need it most but it also has a strong social and moral desire to ensure this is the case.

2.3 The Tenancy Standard, one of the Consumer Standards, requires Housing Providers to manage their lettings in a "fair, transparent and efficient way" and expects Housing Providers to demonstrate: "how their lettings make best use of the available housing"; "are compatible with the purpose of the housing" and "how they contribute to the local authority's strategic housing function and sustainable communities" (1.1.1). Furthermore, Housing Providers must make sure their homes are continued "to be occupied by the tenancy they let the home to in accordance with the requirements of the relevant tenancy agreement" (2.2.6).

2.4 Coastline's tenancy agreement, under section E1 stipulates 'Use of the property' and requires customers to:

- To move in to the property at the start of the tenancy and use it as their only or principal home; and
- Must not use the property or any shared areas for any criminal or illegal purpose.

2.5 Aside from the associated costs, those that commit tenancy fraud are fundamentally denying access to housing for those who are genuinely in need, or taking advantage of those in desperate need by sub-letting at extortionate prices.

2.6 The primary aims of this policy are:

- To ensure that Coastline's properties are being allocated to people in the most need;
- To prevent those intending to commit fraud from doing so in the first place;
- To have robust procedures in place to detect and investigate any suspected cases of tenancy fraud;
- To respond to confirmed cases of tenancy fraud with swift enforcement in partnership with the Local Authority.

2.7 This policy is intended to provide guidance to Coastline employees and build a culture where all staff recognise the role they can play in assisting to prevent and detect tenancy fraud within the stock we manage.

2.8 This policy is also intended to provide knowledge and understanding of Tenancy Fraud to customers, and inform how they are able to assist Coastline in the investigation and prevention of fraud.

3.0 Scope

3.1 This policy applies to all tenancies managed by Coastline, including the housing stock it owns and manages.

3.2 This policy also applies to other forms of licences and assets that Coastline owns, including garages.

4.0 What is Tenancy Fraud

4.1 The European Institute for Combatting Corruption and Fraud (2017) defines tenancy fraud as "Social housing fraud occurs when a home is occupied by someone who is either not legally entitled to be there, or obtained use of the property fraudulently. Social housing fraud deprives legitimate and deserving tenants access to affordable homes and has a direct impact on local people, their families and their communities".

Tenancy fraud is when a tenant provides false information to gain a property, sublets the property to someone else, or does not use the property as their only or main home.

4.2 There are a number of different types of tenancy fraud which can present itself at any stage of the tenancy, some examples of this includes:

- Key selling – where a tenant moves out of a property but sells the keys to someone else for a one off price;
- Sub-letting – this may be where the tenant is or is not living at the property, and letting out parts or all of the property to someone else often at a higher rate than we would charge without authorisation from the landlord;

- Unlawful assignment – this could be when false information is provided in order to obtain a tenancy following the death of a tenant;
- False application – this is where a tenant provides Coastline with false information in order to obtain a tenancy;
- Non-occupation – keeping a tenancy at the property whilst using another property as their main residence;
- Unlawful right-to-buy – providing false information to try and purchase a property through the right-to-buy scheme when there is no right.

5.0 Policy Statement

5.1 Coastline is committed to tackling tenancy fraud, and to do so we incorporate a Prevent, Detect, and Response process. Across this process is a fundamental requirement to raise knowledge and awareness to both employees and customers of Coastline Housing.



5.2 *Prevent* aims to stop fraud from occurring in the first place through the methods available to us:

- Damp and Mould visits in line with Awaab's Law;
- Pre-Tenancy Checks – Coastline take copies of ID, and pictures of our tenants;
- Credit Checks;
- Address History checks;

Tenancy Audits – a rolling programme of visits to Coastline properties where

5.3 *Detect* strives to ensure that Coastline has processes in place to effectively detect and investigate reports of tenancy fraud. These processes include:

- Tenancy Audits – a rolling programme of visits to Coastline properties
- Raising awareness and knowledge of how to report concerns to all employees through the use of Staff Briefings, Newsletters, and attending team meetings;
- Raising customer awareness and knowledge of how to report concerns through the use of our website, customer newsletters, customer portal, and other publications;
- Training staff to effectively identify symptoms and indicators of Tenancy Fraud.

5.4 *Response* covers how Coastline proceeds once a case of tenancy fraud has been uncovered, and what enforcement actions are available, which includes:

- Civil Remedies – such as a key amnesty, where its is agreed no further action to be taken on immediate surrender of keys;
- Informing Cornwall Council with whom Coastline has a Service Level Agreement – The Council will investigate utilising their statutory powers and may wish to carry out legal proceedings under PoSHFA. This can carry a fine of up to £50,000 and/or a jail sentence of up to 2 years;

- Legal Proceedings – where Coastline seek possession of the home and to recover any costs incurred from this.

5.5 Coastline will take a balanced and proportionate approach throughout the process. Each case will be treated based on - its own merits and circumstances, and will take account of relevant factors which includes:

- The length of time which any fraud has occurred;
- The wilfulness with which the fraud has been committed;
- Evidence which shows the intent of the person to commit tenancy fraud;
- Any vulnerabilities of the tenant or household involved in the fraud;
- The potential for adverse impacts on households, or unintended consequences of enforcement action;
- Any other mitigating circumstances.

5.6 When a property has been successfully recovered following a case of Tenancy Fraud, it will be allocated in line with the Coastline Lettings Policy.

6.0 Recognising and Reporting Fraud

6.1 Coastline will publish this policy on - its website and raise further awareness with staff, customers, and members of the public = through various means. We are committed to ensuring that a culture exists where staff and customers understand the impact tenancy fraud has on the local community and demand for housing.

6.2 Any information provided to Coastline will be dealt with the strictest confidence at all times. There are a number of ways to report fraud, including:

- Phone;
- Email;
- Coastline Website;
- Face to face reporting – reception, appointments;
- Letter;
- Social Media private messaging; and
- Customer Portal.

6.3 We will raise awareness of Tenancy Fraud amongst our customers and the general public, using various platforms such as:

- Facebook;
- Twitter;
- Coastline Website;
- Customer Newsletter;
- Local Media; and

Customer Consultation Days.

7.0 Relevant Legislation

7.1 Law of Property Act 1925
Prevention of Social Housing Fraud Act 2013
Housing Act 1985 as amended
Housing Act 1988 as amended
Data Protection Act 2018
General Data Protection Regulations 2018
Fraud Act 2006