

Tenancy Fraud policy

Version Control

Item	Reason for Change	Officer/Manager	Version	Date

Related Documents

This policy relates to several interactions between Moat and our customers. The following policies should be considered alongside the Tenancy Fraud Policy to ensure appropriate action is taken to prevent fraud

- Change of Circumstance Policy
- Lettings Policy
- Mutual Exchange Policy
- New Tenant (Sign Up) Policy

Legislative and Regulatory Framework

The key legislative and regulatory framework that supports and influences this policy is summarised below.

- Prevention of Social Housing Fraud 2013
- Housing Regulations 2012 – Tenancy Standard

“Registered providers shall let their homes in a fair, transparent and efficient way. They shall take into account the housing needs and aspirations of tenants and potential tenants. They shall demonstrate how their lettings:

(a) make the best use of available housing”

- Housing Act 1988
- Housing Act 1985

Appendices

Below are links to relevant procedural plans to support this policy.

Appendix 1 - Fraud Action Plan

1. Policy Statement

1.1. Moat aims to make best use of its properties and ensure that they are occupied in accordance with the law, the regulatory framework and our tenancy agreements. Preventing and tackling tenancy fraud is an important way in which we can achieve this.

1.2. The key objectives of the tenancy fraud policy are to;

- Underpin Moat`s zero-tolerance approach to housing fraud, seeking recover of unlawfully occupied homes and where possible seeking prosecution (Prevention of Social Housing Act 2013) www.legislation.gov.uk/ukpga/2013
- Proactively prevent fraudulent activity including the use of new technology to validate genuine identification and documentation
- Raise awareness amongst staff and the public to report suspected cases of tenancy fraud to Moat Homes Limited to deal effectively with reports and observations of tenancy fraud
- Work in partnership with Local Authorities and stakeholders to share information, data, and resources where appropriate.

2. Scope of the Policy

2.1. The policy supports social housing being occupied by those in greatest housing need.

2.2. Section 80 of the housing Act 1985 states that the tenant must use their home as their “only or principle home”. The Prevention of Social Housing Fraud Act (2013) now makes social housing fraud a criminal offence. Moats ability to successfully prosecute will be determined by the evidence obtained.

2.3. All staff but in particular those in the front line and Neighbourhood Service Managers have a key role to play in the prevention and investigation of all aspects of tenancy fraud.

2.4. This policy covers the actions that Moat will take to prevent, detect and prosecute suspected tenancy fraud, and applies to Moat`s:

- General Needs/Retirement Living social housing
- Discounted/intermediate rented housing
- Shared ownership housing*

**Shared ownership is an excluded product under the Prevention of Social Housing Act 2013. Therefore fraud would be managed as a breach of lease.*

3. Definitions

3.1. **Tenancy Fraud** can present itself in various forms and can arise at any stage during a tenancy's lifecycle. The following list is not exhaustive, but does include the main types of tenancy fraud we experience:

- **Subletting** the property to someone who is not entitled to live there where the customer moves out of the property often to financial gain by collecting rent.
- **Abandonment** of the property where the customer is living elsewhere, either allowing someone else to live at the property or selling the keys to someone else.
- **False succession** where the tenancy is taken over, often on the death of the resident, by someone who falsely claims to qualify for succession.
- **Unauthorised assignment** of the tenancy such as a mutual exchange or transfer of tenancy without permission from Moat
- **Fraudulently obtaining a Moat tenancy** by misrepresentation of identity or circumstances.
- **Providing misleading information** on an application to purchase the property, through the right to acquire/buy scheme.

4. Moat's Policy

4.1. Moat has adopted a range of measures to combat tenancy fraud. The focus of the policy is the prevention of fraud by taking action at the gateway to services. Prevention is by far the most effective and cost efficient way of managing the risks of fraud.

4.2. Key triggers for prevention measures to be used at the gateway of services can be summarised as follows:

- Application for housing
- Property viewing
- Welcome visit and signing a tenancy
- Succession, Mutual Exchange, and Assignment applications
- Frequent name changes /requests to change occupants (sometimes an indicator of money laundering)
- Right to buy or right to acquire applications

4.3. Key triggers for reactionary measures or investigation can be summarised as follows:

- Whistleblowing and “tipoffs”
- Unannounced tenancy audits including intelligence led visits from credit agency verification data, non access for gas or repairs, or no repairs for a long period of time for example.
- New tenancy visits

4.4. Tenancy audits will be conducted on a regular basis to ensure that all customers within scope of this policy are verified by a home visit within any given 5 year period.

4.5. Where an application is made to gain a tenancy, we will ensure that applicants and customers documents and identification is checked and a recent colour passport sized photo will need to be provided or one will be taken by Moat staff and attached to the tenant account.

4.6. Having a photo will be enforced and become a condition of any tenancy offer.

4.7. Validation checks may include:

- Visual checks of identification and documentation
- Using at least **two** forms of evidence to support residency
- Using “Call Validate” (when available)
- Credit checks where permitted
- Housing Benefit and Local Authority confirmation
- Previous residency evidence

4.8. Acceptable identification to validate a person will be considered at two levels; primary and secondary.

4.9. Primary items are the default requirement. Primary items of identification will always be Moat’s first option of identification validation.

4.10. Secondary items should only be used where primary is not held by the customer/applicant to validate their identification. Secondary identification must be supported by one other form of identification. See table below.

Primary Identification	Secondary Identification	Secondary support
Passport	Photo Full driving licence	Utility bill
	Foreign photo ID card	Credit card statement
		Bank statements (last 3 months)
		Council tax invoice
		Pension statement

4.11. When validating residency, we will conduct, where available, a “Call Validate” check providing assurance a customer is living at the address they state they are. We will also check at least two forms of residency which can be from the table above column “Secondary support”

- 4.12. Where a fraudulent application is made or someone is found to have insufficient evidence to support their identification or right to housing Moat will refuse any application they are making.
- 4.13. Anyone can report suspected fraud using Moats central contact points:
- Hotline 0300 323 0186 (this is a voicemail service)
 - Email tenancyfraud@moat.co.uk
- 4.14. Any person that gives us evidence or acts as a whistle blower will, where possible, remain anonymous and be supported in their giving of evidence. Anonymity can not always be guaranteed in taking legal action.
- 4.15. Where fraud is discovered it is Moats intention to first and foremost recover the property, but we will also seek full legal remedy wherever possible including making a criminal prosecution and seeking a profit order from any gains in subletting.
- 4.16. In the case of shared ownership fraud Moat will make fair decisions that whilst uphold the principles of affordable housing will consider a persons mitigating circumstances such as financial hardship before taking action to seek possession.
- 4.17. All cases will be managed be effective case management using Moat's housing system to manage and record evidence.
- 4.18. Where a case is reported about a member of staff, Moats Whistleblowing Policy should be followed.

5. Equality and Diversity

- 5.1. The policy complies with the Moat's Equality and Diversity strategy and policy.
- 5.2. There are no adverse effects or disadvantage as an outcome of this policy or its aims and objectives.
- 5.3. See EIA at appendix 2.

6. Value for Money

- 6.1. The notional value of assisting a family in housing need, which considers their time in temporary accommodation, is £18,000 per year. If Moat recovers one property per year at a value of £18,000 the cost of taking action is considerably less than this and supports Moats regulatory requirements and mission.

7. Resident Involvement

- 7.1. Resident involvement has not been considered as part of this policies development as it is a regulatory requirement of a social and affordable housing provider to make the best use of its homes, and legislation under the Housing Act 1985 and Prevention of Social Housing Fraud Act 2013 supports this policies purpose.

8. Monitoring

8.1. All suspected subletting reports received by Moat will be recorded. Housing fraud investigations and the subsequent results and actions of those investigations will be reported annually.

8.2. The following information will be recorded and used to monitor the levels of tenancy fraud within Moat stock:

- Numbers of tenancy fraud cases each year
- Number of properties recovered
- Number of prosecutions successfully made

9. Communication of Policy

9.1 The policy will be communicated to staff and our customers by:

- Publishing to our website
- Using literature and newsletters to raise awareness of fraud and actions Moat will and have taken
- Deliver staff training and cross department awareness of the policy to ensure policy and processes compliment fraud objectives

10. Review

10.1. Moat will review this policy at a minimum of every two years to ensure it remains relevant and effective. Where a regulatory or legislative change is required it will be made sooner and as required.

Appendix 1 – Fraud Action Plan

Tenancy Fraud Aim	Outcome/Action	Frequency
Identify a lead manager to act as a Fraud Champion	Monitor best practice and legislation	On going
	Report to the Board progress and actions across the organisation in tackling fraud	Annual
	Assist develop relationships with LAs and other stakeholders to tackle fraud	On going
Deliver key fraud training	Staff are more skilled to be able to manage fraud	As required
	Identified training partners to deliver training. (NAFN, Local Authorities or Call Credit)	As required
Develop a clear Fraud Policy	Provide a framework and guidance to tackle fraud with confidence	Review every two years
Clearly identify stages in a customers lifetime as a Moat customer where action could be taken to protect against and tackle fraud	Validation exercise of ID and persons are made at application for housing stage	As per Lettings and Allocations Policy
	At all property viewings ID is checked	As per Voids and Allocations Policy
	Validation of ID and persons is conducted at sign ups and welcome meetings	As per Sign Up Policy
	Tenancy visits for all new tenancies at the relevant time and or as risk is identified where ID is checked and photos taken of lead tenants where we do not have them on file	As per Starter Tenancy Policy
	Internally published tenancy audit programme for each financial year	Audits every 5 years
	Customer ID and residency is validated for all tenancy changes including mutual exchange, assignment and succession	As per relevant policies
	All Right to buy/acquire applications are validated to ensure they are the tenant purchasing and there is no risk of fraud	As required
Develop technology to assist prevent, identify, and tackle fraud	Work with Call Credit (credit agency) to cross reference customer data to identify risks of fraud and to lead the 2018 tenancy audit programme	One time only
	Incorporate use of API systems and on line validation of ID and documents to support concepts of automated decisions wherever possible	As required
	Incorporate technology and techniques to validate identification documents and residency ensuring intelligence led anti fraud decisions are made	As required
Develop partnerships with Local authorities	Regional managers to develop close working relationships with LA partners to make criminal prosecutions under the Social Housing Fraud Act 2013 where fraud is discovered	On going
Use professional memberships such as NAFN to full capacity	Raise standards and ability manage successful fraud cases through training, access to data and advice	As required
Develop proactive measures to identify and challenge potential fraud	Use data we already have to identify risks of fraud: Repeated no gas access; No repairs for over 2 years; Frequent changes of occupancy or name	As required
	Increased use of credit agency data and credit checks in line with data sharing legislation	As per relevant policy
	Introduce validation of ID against national and international records enabling checks beyond British passports	As per relevant policy
	Promote whistle blowing and raise customer awareness	On going
Use data sharing agreements to ensure that under GDPR we comply with legislation	Use Moat contractors as eyes and ears to report the "unusual"	On going
	Work with lead Moat GDPR managers to develop clear information sharing agreements to deploy with LAs and other stakeholders in particular managing agents	As required
Promotes Moats approach to tackling fraud, the risks of fraud, ability to report fraud, and positive outcomes	Develop a clear declaration statement on application forms where customers require/apply for Moat services. The statement must be consistent and tested for resilience against fraudulent activity and be relied upon in prosecution cases	On going
	Use Moat's website to promote Moat's anti fraud measures and publicise successful cases.	On going
	Promote Moats fraud hotline and email address to staff and customers through multiple media channels	Quarterly
	Develop and use posters to advertise in office receptions Moat's anti fraud approach	On going
	Work with LAs and publicise jointly where we take action	On going