

Tenancy Fraud Policy

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| Document Owner | Head of Housing Services |
| Prepared by | Carly Foley, Neighbourhoods & Estates Manager Nicci Talbot-Morris, Tenancy Team Leader Policy Officer |
| Approved by | Directors Group |
| Approved date | December 2024 |
| Date of next review | December 2027 |
| Monitoring, Auditing and Reporting | <ol style="list-style-type: none"> 1. Monthly case reviews 2. Quarterly team meetings to review learnings and complex cases 3. Policy review every 3 years and subject to approval by Directors Group |

1. Scope and Aims

1.1. Hexagon Housing Association (Hexagon) is committed to ensuring that its homes are allocated and used fairly, responsibly, and in line with legal and regulatory standards. Tenancy fraud undermines the effective use of housing resources and denies homes to those in genuine need. This policy outlines Hexagon's approach to identifying, preventing, and addressing tenancy fraud.

1.2. Tenancy Fraud falls into eight common categories:

- 1.2.1. Unlawful subletting: where a tenant lets out part all of their home for profit without Hexagon's knowledge or permission (including short lets via websites and apps like Airbnb, SpareRoom, etc).
- 1.2.2. Obtaining housing by deception: where a person obtains a tenancy via the local authority or a housing association by giving false information in their application for housing.
- 1.2.3. Tenancy succession by deception: were a tenant passes away and someone who is not eligible for the tenancy applies to succeed.
- 1.2.4. False assignment: where a tenant breaches their tenancy by abandonment (moving out without informing Hexagon) and/or not using the property as their principal home, and allows another person to live in the home, and adds this person to the tenancy with the aim of this person taking over the tenancy.
- 1.2.5. Associated Fraudulent Benefit Applications: where a Hexagon home is used to assist with a fraudulent claim for housing benefit or Universal Credit
- 1.2.6. Unlawful Use of Property: where the property is not being used by the Tenant as their only and principal home (i.e. via abandonment, key selling) or the property is being used for criminal activity.
- 1.2.7. Key selling: where the authorised tenant is paid a sum of money to pass on the keys to their home to a third party.
- 1.2.8. Illegally purchasing a property under the Right to Acquire or Social Homebuy – where an individual misrepresents their circumstances to obtain a discount.

Source: Tenancy Fraud Forum

1.3. The Regulator of Social Housing's Consumer Standards set out that Hexagon must take action to prevent and tackle tenancy fraud and must publish a policy

outlining our approach to tackling tenancy fraud. This policy should be read in conjunction with Hexagon's Tenancy Fraud Procedure, the Fraud, Theft and Bribery Policy and the Safeguarding Policy to give full context to our approach to managing tenancy fraud.

2. Equality and Diversity

- 2.1. Hexagon will implement this policy in line with our obligations under the Equality Act 2010 and in line with our Vulnerable Residents and Reasonable Adjustments Policy. An equality and diversity impact assessment has been carried out and is attached as an appendix.
- 2.2. Vulnerable people such as those with learning difficulties, elderly residents, or people for whom English is not their first language may be more likely to be coerced into committing tenancy fraud. This may be because they are being pressured into it by a third party or they do not understand that what they are doing is fraudulent. Hexagon procedures ensure that vulnerable tenants are supported throughout cases of tenancy fraud, that Hexagon staff complete a proportionality assessment prior to legal action to ensure cases are in the public interest, and reasonable adjustments are appropriately considered, including translation requirements.
- 2.3. Hexagon will respect a tenant's wish to have an advocate or support worker present during meetings about tenancy fraud.
- 2.4. Communications and publicity campaigns regarding tenancy fraud will be made available in alternative languages, and translation services adopted where necessary when communicating with tenants regarding fraud investigations.

3. Policy Statement

- 3.1. Hexagon takes allegations of tenancy fraud very seriously and is committed to making sure that the public and charitable funds we administer are used correctly. We take a zero-tolerance approach to any criminal financial misconduct, whether it is committed by an employee, contractor, customer or external party.
- 3.2. In October 2013, the Prevention of Social Housing Fraud Act (PoSHFA) was passed, making it a criminal offence for social housing tenants to sub-let or to acquire social housing through deception. Offenders face prosecution which can result in an unlimited fine and/or two years in jail.
- 3.3. We will take a proactive approach to tackle tenancy fraud through prevention, identification, and enforcement.

3.4. Actions Hexagon takes against tenancy fraud include:

- 3.4.1. Designating a Tenancy Fraud Lead with responsibility for overseeing the investigation of cases where fraud is suspected.
 - 3.4.2. Utilising data matching services and credit reference agencies and other fraud detection agencies to cross check information provided on existing tenancies.
 - 3.4.3. Providing training for staff to identify potential signs of fraud and build a culture of tenancy fraud awareness.
 - 3.4.4. Carrying out tenancy audits based on local knowledge as well as data driven analysis of the risk of tenancy fraud.
 - 3.4.5. Investigating all fraud cases referred to us within 30 days of receipt.
 - 3.4.6. Working with partner agencies including but not limited to Local Authorities who have power under the law to prosecute, the Police and the Department for Work and Pensions.
 - 3.4.7. Seeking possession of properties where tenancy fraud is being committed.
 - 3.4.8. Recouping illegal profits via an unlawful profit order or charging on assets.
- 3.5. Hexagon promotes awareness of indicators of tenancy fraud to all its staff and we encourage staff, residents, and contractors working on our behalf to report any suspicions and have a dedicated tenancy fraud email to manage and act on these reports.
- 3.6. Reports of tenancy fraud will be investigated by the patch Neighbourhood Officer, supported by the Tenancy Fraud Lead(s).
- 3.7. The investigating officer is authorised by the Chief Executive to inspect all documents, records, accounts and carry out third party checks relevant to an investigation.
- 3.8. The investigating officer will work in partnership with key stakeholders such as Local Authorities and law enforcement agencies to detect and investigate housing fraud.
- 3.9. We will carry out risk assessments using indicators such as, but not limited to:
- 3.9.1. The inability to gain access to carry out inspections, repairs, statutory compliance tests, tenancy reviews.

- 3.9.2. A lack of engagement.
- 3.9.3. Unusually low volumes of repairs requested at property.
- 3.9.4. Regular vandalism to communal door entry systems.
- 3.9.5. Variations of credit or arrears on a rent account.
- 3.9.6. Requests for adult children, or carers, to be added to the household/tenancy.
- 3.10. Hexagon will seek to sanction offenders and recover all losses from tenancy housing fraud. Prosecution will be pursued wherever possible and practical.
- 3.11. Tenancy fraud involves the processing of sensitive, personal information so the Data Protection Policy will be followed when investigating a case under this policy.
- 3.12. We will take steps to ensure that Hexagon's approach to housing fraud is widely publicised within the organisation and all staff are aware of housing fraud risks. As part of this suitable training will be provided to staff.
- 3.13. Details of how to report Tenancy Fraud is publicised on Hexagon's website.
- 3.14. The consequences of committing tenancy fraud are publicised on Hexagon's website.

4. Legal Framework

- 4.1. The Prevention of Social Housing Fraud Act (PoSHFA) 2013
- 4.2. Housing Act 1985/8
- 4.3. The Fraud Act 2006
- 4.4. Proceeds of Crime Act 2002
- 4.5. Data Protection Act 2018

5. Related Hexagon policies, strategies and procedures

- 5.1. Fraud, Theft and Bribery Policy
- 5.2. Tenancy Fraud procedure
- 5.3. Data Protection Policy
- 5.4. Safeguarding Policy

5.5. Lettings and Allocations Policy

5.6. Succession Policy

Appendix 1: Equality Impact Assessment

Part one: Initial Screening

| Name of policy, service or function | |
|--------------------------------------|---|
| Persons completing initial screening | Carly Foley, Neighbourhoods & Estates Manager Nicci Talbot-Morris, Tenancy Team Leader |

Analysis

Hexagon do not currently hold any data relating to Tenancy Fraud. However, research carried out by the Tenancy Fraud Forum in 2023 suggested that 1 in 20 social homes in London is subject to tenancy fraud.

We do not believe this Policy will have a disproportionate impact on any group of residents, as we aim to complete tenancy audits across our whole portfolio, by 2028.

| Data Type | Summary and Analysis |
|--------------------------------|--|
| Organisational Statistics | <p>We are focussing on those residents who have large credits or arrears on their rent accounts.</p> <p>Those where 0 repairs have been reported in more than 12 months</p> <p>The properties where we regularly have difficulties gaining entry to undertake statutory checks, such as gas servicing, stock condition surveys, electrical checks identified as being.</p> <p>No complaints data has been gathered so there is no analysis to be made currently.</p> |
| National / Regional Statistics | <p>According to the Tenancy Fraud Forum, research undertaken in 2023 suggested 1 in 20 social homes were sublet.</p> |

Screening

| Protected Characteristic | Is impact positive, negative, or none | | | Reason |
|--------------------------|---------------------------------------|----------|-----------|--|
| | Positive | Negative | No Impact | |
| Age | | | X | We do not believe this Policy will have a disproportionate impact on any group of residents, as we aim to complete tenancy audits across our whole portfolio, by 2028. |
| Disability | | | X | |
| Sex | | | X | |
| Gender reassignment | | | X | |
| Race | | | X | |
| Religion or belief | | | X | |
| Sexual orientation | | | X | |
| Socio-economic | | | X | |
| Literacy | | | X | We will adhere to tenants' preferred communication methods |

What are the arrangements for monitoring the policy and its impact on customers?

Tenancy Fraud case outcomes will be recorded on CRM, which will allow us to report data such as; Property Size, Property Type, Borough/Location, Fraud Type, Tenant profile and more.

We will also be able to report on the number of recovered properties, and any financial income from unlawful gains.

Regular reporting will allow for this data to be reviewed regularly and any trends identified.

As no negative impact has been identified for any group in this screening, we will not proceed to Part 2 of the Equality Impact Assessment.