

Tenancy Fraud Policy



1. This policy will apply to the following entities:

Legal & General Affordable Homes Limited
Legal & General Affordable Homes (AR) LLP
Legal & General Affordable Homes (SO) LLP
Legal & General Affordable Homes (Capital) Limited
Legal & General Affordable Homes (Development 3) Limited
Legal & General Affordable Homes (Operations) Limited
Legal & General Affordable Homes (Investment 1) Limited
Legal & General Affordable Homes (Investment 2) Limited
Legal & General Affordable Homes (Investment 3) Limited
Legal & General Affordable Homes (Development 4) Limited

2. Policy Introduction

This policy sets out Legal and General Affordable Homes (LGAH) approach to tenancy fraud.

Affordable housing is a limited resource and housing fraud impacts the provision of housing to those in genuine need, including older people and the vulnerable. The purpose of this policy is to set out specific responsibilities with regards the prevention of housing fraud.

The impact of housing fraud can extend well beyond the direct financial loss to the organisation as it can also negatively affect the communities in which it is found (through association to anti-social behaviour), and the organisation's reputation.

LGAH and its management providers will ensure that any allegations of housing fraud are taken seriously and investigated in an appropriate manner, subject to the requirements of appropriate legislation.

3. Policy Aims

The objectives of this policy are to clearly outline the different types of tenancy fraud and outline how LGAH and its management providers will investigate and take robust action enforce against cases of tenancy fraud carried out by anyone living in or applying to accommodation owned by LGAH.

LGAH ensures all its management providers and partners who provide direct services to LGAH customers carry out regular training for their staff and abide by LGAH's Tenancy Fraud Policy.

LGAH also encourage all its customers and members of the community to highlight and report suspected tenancy fraud either directly to LGAH, its Management Providers or to a relevant agency.

As a minimum LGAH expects all of its Management Providers to hold policies that are at least equivalent to the policy position held by LGAH on tenancy fraud.

4. Legal Framework

This policy is designed with consideration of the following legal and statutory instruments.

- The Prevention of Social Housing Fraud Act 2013
- Housing Act 1985 and 1988
- The Fraud Act 2006
- Proceeds of Crime act 2002

This policy is also designed with consideration of the Consumer Standard set by the Regulator of Social Housing. Particularly the Tenancy standard which states:

Allocations and Lettings:

Registered providers should have effective policies and processes in place for allocating their homes and should work effectively with local authorities to help meet identified local housing need. They should clearly set out their decision-making criteria, including in relation to transfers.

In order to be able to take the needs of tenants and prospective tenants into account in the allocations process, registered providers need to have a robust and accurate understanding of local housing need and their homes, including in relation to which homes have been designed or adapted to meet specific needs.

Tenancy fraud can take a number of forms. Actions registered providers can take to prevent and tackle tenancy fraud include carrying out effective checks before the start of and during a tenancy, publicising their approach including outcomes to tackling tenancy fraud, and providing guidance to staff on how to prevent, detect and take action against suspected tenancy fraud.

5. Definitions

Tenancy Fraud falls into seven common categories:

Unlawful subletting

This is where a tenant lets out their property without our knowledge or permission. Detection of this fraud is difficult as the authorised tenant often continues to pay the rent for the property directly to us but charge the person with whom they are subletting the property to at a much higher rate.

Obtaining housing by deception

This is where a person(s) obtains a tenancy via the local authority or directly through a registered provider by giving false information in their application for housing. As an example, not declaring that they are renting another council or housing association property or by giving false information about who lives with them.

Tenancy succession by deception

This is when a tenant passes away and someone who is not eligible for the tenancy applies to succeed.

Key selling

This is where the authorised tenant is paid a sum of money to pass on the keys to their tenancy, or where a staff member receives payment for allocating the property in breach of the Allocations Policy.

Associated Fraudulent Benefit Applications

This is where a LGAH property is used to assist with a fraudulent claim for housing benefit or Universal Credit

Unlawful Use of Property

This is where the property is not being used by the Tenant as their only and principal home. For example the property is being used for storage or business use.

Illegally purchasing a property under the Right to Buy Acquire or Staircasing

Some LGAH properties do have the Right to Acquire and fraudulent applications can be made through another party other than the main tenant purchasing the home. Also when purchasing the home or a shared owner increasing their share of the property, funds could be sourced from an ineligible source and/or money laundering.

6. Our Approach

Fraud prevention

For rented properties, before we allocate any of our homes, our management providers undertake rigorous checks to make sure the applicant is who they say they are. They work with the local authorities and agencies who nominate to our homes to check applicants and occupants against the information they provided to the housing register.

For shared ownership properties, LGAH Sales Team undertake checks directly and/or through third party suppliers to ensure customers are eligible for shared ownership, meet specific requirements of the property, and complete necessary Know Your Customer checks.

All on all tenures we request photographic ID and supporting documents, such as bank statements/passports/driving licences. This information is used during tenancy audits after a customer moves in.

If initial checks do not provide sufficient evidence to prove a customer's identity, we will request additional information to ensure we are satisfied with the evidence given. This may include:

- Local authority records
- National anti-fraud intelligence network
- Electoral register
- Credit referencing agencies

If we are unable to confirm the identity of the customer, or if there are other concerns linked to LGAH Tenancy Policy and Allocation Policy, then an offer of accommodation will not be made.

Fraud Detection

Some common indicators of housing fraud include:

- The inability to gain access to properties to carry out tenancy audit or safety checks
- A lack of engagement between the tenant and LGAH
- The lack of repairs requested at property
- Regular vandalism to communal door entry systems
- Variations of credit or arrears on a rent account

Renting out properties through AirBnB and other online platforms is becoming more common in the affordable housing sector. This is against tenancy and lease conditions and where there is a report of potential subletting, online checks will be conducted by our Management Providers. This may include working with local authority partners and other agencies to detect and investigate reports. In all tenancy fraud cases, the aim is to take swift legal action to ensure properties are given to those who are in genuine housing need.

Often neighbours and other residents in the locality play an important role in fraud detection. Our management providers raise awareness of signs of tenancy fraud to all customers through wider customer communication and information on social media and company websites.

7. Taking action against fraud

If we suspect fraud is taking place we will investigate, gather evidence and build a case. Often this includes collating background information and completing necessary checks, including unannounced visits to the property.

Where there is sufficient evidence which demonstrates tenancy fraud, the customer for the property will be notified and asked to provide evidence should they wish to challenge the concerns raised.

If the tenant(s) can't evidence their right to live in the property legally, then legal action will be taken by our management providers to re-possess the property and with the intention to recover court costs and any other associated fees. For shared owners, depending on the response and evidence provided by the customer, legal advice may be sought on the best course of action for a breach of lease.

Any properties which are repossessed will be re-allocated in line with LGAH Allocation Policy.

8. Information Sharing

LGAH Data Protection Policy must always be followed when investigating a case under this policy.

LGAH expects its Management Providers to follow this policy and to consult their data protection lead when there are requests to share data for the purposes of fraud prevention or detection.

LGAH RP's with over 1,000 units are required to submit an annual fraud report to the Regulator of Social Housing as part of regulatory requirements. In addition LGAH must also comply with

Legal & General Group Financial Crime policies which may require sharing of information for the purposes of reporting and fraud prevention. These requirements fall under the provisions of LGAH Data Protection Policy.

9. Related Policies

- Allocations Policy
- Tenancy Policy
- Staircasing and Resale Policy
- Affordability Policy
- Complaints Policy

10. Equality and Diversity

LGAH considers the diverse needs of its customers when delivering landlord services. We expect all employees, and partners working on behalf of LGAH, to treat all customers with fairness and respect.

The specific needs of customers are considered when delivering services against this policy and at times this may require taking a different approach to ensure customers are not disadvantaged due to their diverse needs. This will include utilising information LGAH holds about its customers and tailoring how customers are to communicate and engage with LGAH services to eliminate any barriers for access and reporting.

Accountable Director	Shaun Holdcroft
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