

Bromford.

Tenancy Fraud Policy

Policy Statement & Purpose

Bromford is committed to the prevention of tenancy fraud.

The purpose of this policy is to set out Bromford's stance on tenancy fraud, and its approach to preventing, detecting, reporting, and investigating tenancy fraud.

The term 'fraud' can be broadly defined as the deliberate use of deception or dishonesty to disadvantage or cause loss (usually financial) to Bromford.

We will tackle all types of tenancy fraud to ensure our homes are utilised by those customers with a genuine housing need.

Scope

The principles and terms within this document apply to all colleagues within Bromford Housing Group (Bromford) and all related third parties.

Reference Documents

This policy is published on the Hub and should be read in conjunction with the following guidance, related policies, and procedures:

List of Reference Documents

- [Anti-Fraud - Preventing Detecting and Reporting How to Lettings Policy](#)
- [Mutual Exchange Policy](#)
- [Right to Acquire How To](#)
- [Right to Acquire Policy](#)
- [Right to Buy How To](#)
- [Right to Buy Policy](#)
- [Subletting and Illegal Occupiers How To](#)
- [Subletting and Lodgers Policy](#)
- [Tenancy Policy](#)
- [Tackling Tenancy Fraud](#)
- [Whistleblowing Policy](#)
- [Whistleblowing Procedure](#)

Legislative Requirements

Bromford's policy is to comply with the following applicable laws and legislation:

- [Prevention of Social Housing Fraud Act 2013](#)
- [Housing Act 1985](#)
- [Housing Act 1988](#)
- [Theft Act 1968](#)
- [Proceeds of Crime Act 2002](#)
- [Data Protection Act 2018](#)
- [Fraud Act 2006](#)
- [Bribery Act 2010](#)
- [Criminal Procedures Investigation Act 1996](#)
- [Public Interest Disclosure Act 1998](#)
- [Police and Criminal Evidence Act 1984](#)

In addition, Bromford will comply with the specific expectations of the Regulator of Social Housing (RSH's) Governance & Financial Viability Standard which require registered providers to "provide accurate and timely returns to the regulator, including an annual report on any losses from fraudulent activity, in a form determined by the regulator".

Key Legislation

The **Prevention of Social Housing Fraud Act 2013 (PoSHFA)** made the subletting of the whole of a social rented dwelling a criminal offence and introduced two new criminal offences:

- Where the tenant sublets or parts with possession of a property or ceases to occupy the property, knowing that it is a breach of tenancy. A person convicted of this offence can be fined an unlimited amount.
- Where a tenant dishonestly and in breach of tenancy, sublets without consent and ceases to occupy the property as their only or principal home. A person convicted of the second offence can be imprisoned for up to two years and/or fined an unlimited amount.

PoSHFA enables local authorities the ability to prosecute in cases of unlawful subletting on Bromford's behalf and provides the Court the authority to order the tenant to pay back any profit made from unlawful subletting; these are referred to as **Unlawful Profit Orders**. These are available in both criminal and civil proceedings.

The **Fraud Act 2006** states that a person is guilty of fraud if he is in breach of the following:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

A person who is found guilty of fraud is liable, on conviction to a maximum sentence of 10 years imprisonment and/or a fine.

Responsibilities

For all enquiries about this Policy please contact the Fraud & Financial Crime Specialist, Governance, Risk and Assurance Team who has overall responsibility for Tenancy Fraud.

The Board has overall responsibility for this policy and is responsible for making sure that:

- An anti-tenancy fraud culture is established and promoted;
- Effective controls are in place to prevent and detect tenancy fraud;
- All instances of tenancy fraud and suspected tenancy fraud are investigated promptly and thoroughly;
- Further action is taken with the appropriate authorities when necessary.

Board **delegate** responsibility for doing this to the Audit and Risk Committee.

The Audit and Risk Committee:

- Approve the Tenancy Fraud Policy and the Tenancy Fraud Procedures and review these documents every three years;
- Allocate sufficient and appropriate resources to implement this policy effectively;
- Lead on risk management and making sure there are appropriate and effective systems in place to prevent, detect and report instances of tenancy fraud;
- Receive and consider a bi-annual report from the Fraud and Financial Crime Specialist of tenancy fraud investigations and management information.
- Approve an annual report to our regulator, the RSH, on losses from fraudulent activity. This includes reviewing the register of cases of tenancy fraud and suspected tenancy fraud cases as maintained by the Fraud and Financial Crime Specialist.

The Risk and Compliance Forum are responsible for:

- Reviewing periodic tenancy fraud reports, tenancy fraud management information and progress as provided by the Fraud and Financial Crime Specialist.

The Fraud and Financial Crime Specialist is responsible for:

- Responding to and having overall responsibility for the investigation of tenancy fraud at Bromford.
- The delivery and communication of tenancy fraud prevention, detection, deterrence, and investigation activities across Bromford.
- Provision of periodic reports, fraud management information and progress against the to the Chief Risk Officer for dissemination to the RCF and ARC (where required).

The Chief Risk Officer and the GRA Team are responsible for:

- The preparation and recommendation of this policy to Audit & Risk Committee.
- The maintenance and management of supporting frameworks.
- Testing adherence with this policy as part of their annual programme of activities.
- Providing bi-annual reports to the Audit & Risk Committee.

Executive Directors are responsible for:

- Making sure operational risk registers in their areas of the business consider tenancy fraud risk and that effective controls are put in place to manage these risks in line with the Risk Management Policy and Risk Management Procedures.
- Encouraging colleagues to report legitimate concerns regarding tenancy fraud promptly.

Leaders are responsible for engaging with their team by:

- Communicating the importance of tenancy fraud prevention, detection, and investigation to colleagues;
- Responding promptly to allegations of tenancy fraud and reporting these directly to the Fraud and Financial Crime Specialist, Governance, Risk and Assurance;
- Ensure that their colleagues are aware of their responsibilities and receive appropriate tenancy fraud awareness training;
- Engage via the Fraud and Financial Crime Specialist in cross-sector initiatives (including the National Anti-Fraud Network and National Fraud Initiative) to identify fraudulent customer behaviour and activities; and
- Maintain effective working relationships with the Fraud and Financial Crime Specialist.

All colleagues are responsible for:

- Carrying out their work in line with this policy and associated procedures;
- Applying our values and behaviours in everything they do;
- Reporting immediately if they suspect or believe a tenancy fraud has been committed.

Policy Principles**Our approach**

We expect colleagues to report all tenancy fraud suspicions to a leader or directly with the Fraud and Financial Crime Specialist as soon as possible. Legitimate concerns will be taken seriously and treated in the strictest of confidence. Further detail is provided within the Tenancy-Fraud Procedures.

Examples of tenancy fraud include:

- Fraudulently obtaining a tenancy by misrepresentation as to identity or personal circumstances or not declaring interests in other properties.
- Withholding information or making a false statement when applying for a tenancy.
- Unlawful subletting, including subletting the whole property or multiple sublets within one property while ceasing to occupy the same.
- Non occupation by the tenant as their sole or principal home, including abandonment.
- Falsely claimed succession where a customer dies and someone who is not eligible to succeed to the tenancy retains the property.
- Unauthorised assignment of the tenancy such as an unauthorised mutual exchange or transfer of tenancy without Bromford's permission.

- Key selling - where the customer leaves the property and passes on the keys in return for a one-off lump sum payment or favour.
- Providing misleading information on identity or personal circumstances and not declaring interests in other property when purchasing a Bromford home under the 'Right to Acquire/Right to Buy'.

Bromford is committed to **preventing, and detecting** tenancy fraud and we will:

- **adopt a risk-based approach** by:
 - monitoring and maintaining policies and procedures on tenancy fraud and ensuring organisation wide awareness;
 - supporting colleagues with the identification of tenancy fraud risks for existing and new customer-based housing solutions;
 - undertaking operational tenancy fraud risk assessments;
 - assisting in visits to customers homes where tenancy fraud is suspected;
 - implementing proportionate internal controls and procedures to reduce the risk of fraud being committed; and
 - share best practice and lessons learnt with other housing associations and local authorities.
- **provide information to colleagues**, so they know:
 - what tenancy fraud is and how it takes place;
 - the kinds of activity that should raise suspicion; and
 - when and how to report suspicions.
- **give targeted training to colleagues** so they know how to:
 - identify fake and forged documents and the warning signs that indicate tenancy fraud may be taking place throughout the tenancy lifecycle;
 - recognise how tenancy fraud may present itself in their areas of expertise; and
 - to report suspicions to the Fraud and Financial Crime Specialist.
- **provide mechanisms** (such as dedicated phone line or web pages);
 - for customers, neighbours, and other stakeholders to report suspicions or concerns about tenancy fraud.
 - promote these widely using a variety of media and explain clearly how to access them.

The **Fraud and Financial Crime Specialist** is responsible for all aspects of tenancy fraud activities.

Reporting

Reports about suspicious tenancy activity must be sent to the **Fraud and Financial Crime Specialist** and will be investigated thoroughly. Further guidance is provided in the Tenancy Fraud Procedures.

If necessary, we will involve the appropriate authorities to assist in an investigation and recover any losses we have suffered.

Regular tenancy fraud reports are provided by the Fraud and Financial Crime Specialist to the RCF, six monthly reports are provided to the ARC and an annual report is provided to the RSH.

Risks

This policy assists with mitigating the risk identified in our operational risk register, namely “our fraud policies and procedures are not fit for purpose”.

Our policies, the financial crime framework, and training is in place to mitigate against fraud, tenancy fraud and other financial crime. Procedures exist to allow colleagues to report any fraud or financial crime suspicions in an anonymous way.

If we fail to identify and mitigate fraudulent activity due to inadequate policies and procedures, where colleagues have a lack of understanding and training provision, our tenancy fraud risk will increase. Increased exposure to tenancy fraud could result in potential legal action, regulatory intervention/fines, and financial and reputational impact on the business.

Assurance Framework

An anti-financial crime framework is maintained, and this includes tenancy fraud. The key controls have been identified from our financial regulations, other key policies, procedures and from discussions with relevant leaders and colleagues.

This policy will be reviewed every three years or sooner if changes are made to organisational structure, responsibilities, assurance arrangements or due to changes in the external environment.

The overarching financial crime framework is owned by the Chief Risk Officer.

Assurance will be provided to the Audit and Risk Committee by the Fraud and Financial Crime Specialist.

Document Details

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