



Tenancy Fraud Policy

1. Introduction

- 1.1. Fraud can be defined as, “deception deliberately practiced in order to secure unfair or unlawful gain”. The deception may involve fraud by false representation, fraud by failure to disclose information when there is a duty to do so and fraud by abuse of position. This policy has been prepared with reference to the publication from the National Housing Federation entitled “Countering Fraud – A guide for housing association board members”.

2. Aims and Objectives of the Policy

- 2.1. This policy sets out LRHA’s approach to preventing, detecting, and dealing with tenancy fraud.
- 2.2. LRHA regards all forms of fraud as unjustifiable and wrong. Fraud undermines the operation of a fair society; it can erode confidence in our welfare state and it abuses taxpayers’ money. This policy illustrates how LRHA will do its utmost to prevent frauds occurring, thoroughly investigate any suspicions of fraud and deal with fraudsters as sternly as possible. LRHA will work in partnership with statutory agencies and partners in dealing with fraud when required.

3. Key Tenancy Fraud Risks

- 3.1. There are a number of ways in which tenancy or benefit fraud takes place:
 - People trying to falsely succeed to a tenancy
 - Housing applicants failing to disclose information
 - Housing applicants forging landlord references
 - Landlords failing to disclose information about tenancy problems
 - People claiming single person discounts on council taxes when they are not living alone
 - People undertaking cash in hand work when they are claiming benefits
 - People claiming disabilities when they are capable of work
 - Couples claiming to live separately to maximise benefits
 - People using tenancies as postal addresses or not using the property as their only or principal home
 - People illegally sub-letting their tenancies or selling their keys to the property to a third party
 - Family members attempting to purchase homes with right to buy or right to acquire discounts
- 3.2. The above is not a comprehensive list but shows the main areas of tenancy fraud that LRHA is potentially exposed to.
- 3.3. Where fraud relates primarily to benefits or council tax, LRHA’s role will be to report concerns to the relevant statutory authority.

4. LRHA's approach to tenancy fraud

4.1. LRHA has a three-stage approach to tenancy fraud:

4.2. Prevention

4.3. Although the vast majority of people are honest there is a possibility that acts of dishonesty will happen to gain advantage. People may abuse trust, find loopholes in systems and take opportunities to obtain unfair advantage. Unfortunately, in such circumstances regimes which are too trusting or lax in their cross referencing will be open targets for fraud. Similarly, the provision of welfare benefits awarded on the basis of specific criteria will be appealing to fraudsters.

4.4. Our approach to fraud prevention is based upon the following principles:

- Verification of information
- Proper record keeping
- Cross validation of data, including sharing data with the local authority's Fraud Team or the Department of Work and Pensions as appropriate
- Regular review of key data
- Finding out as much as we can about our residents
- Ensuring that people know that we are serious about fraud and that LRHA will take action to regain possession of properties
- An assumption that all systems contain a potential for fraud which must be considered at system development stage

4.5. Within our key housing operations, fraud prevention actions include:

- Warning applicants about their duty to supply accurate information prior to completing any forms
- Home visits to the majority of applicants where members of staff are able to spot inconsistencies during the visit
- Collecting key data from online forms or over the telephone and then cross referencing at the home visit
- Compliance with the Right to Rent requirements by viewing and storing a digital image of approved documentation
- Verifying landlord references
- Checking applicant information using the internet and our existing housing records
- Ensuring that photographic identification records are taken from all applicants at the first sign up meeting
- Undertaking initial settling in and subsequent visits to properties
- Using staff visits and occupancy records submitted by residents to monitor occupancy levels
- Investigating signs or information received of non-occupancy e.g., non-access for gas services and tenancy visits
- Sharing data with statutory agencies
- Publicising our approach on our website

4.6. Detection

4.7. Potential frauds are usually detected through the following methods:

- Information given by neighbours or other agencies
- Information obtained through home visits
- Checking records of repairs and access to the property
- Information obtained at the annual gas safety check
- When an abandonment is suspected, regular staff visits and monitoring will take place to establish it, and cross checking with the Council's Fraud Prevention Team and/or the Department for Work and Pensions
- Interviews with suspected fraudsters under caution will only be conducted by the relevant statutory authority. LRHA staff may attend where appropriate and agreed.
- Checking credit reference agency records as part of wider fraud detection in conjunction with the local authority and the National Fraud Initiative

4.8. All data collection, sharing, and investigation activities will be carried out in accordance with data protection legislation, including the UK GDPR and the Data Protection Act 2018. Information will only be accessed and shared where there is a lawful basis and where it is necessary and proportionate to do so.

4.9. Sanctions

4.10. LRHA will take the strongest possible measures when fraud is detected. In cases of tenancy fraud, we will normally seek to recover possession of the property, taking into account the circumstances of the case and any relevant legal or equality considerations. Where housing applicants have acted fraudulently, we will exclude them from our housing list and may prosecute in conjunction with the local authority. Contractors acting fraudulently will have their contracts terminated and be excluded from further work. Staff committing acts of fraud will be dealt with using our disciplinary procedures. We will treat all acts of fraud as potentially criminal and will always inform the appropriate statutory agencies and the police where appropriate.

4.11. Reporting Concerns

4.12. Suspected fraud can be reported by staff, residents, or partner agencies. All concerns will be treated confidentially and investigated appropriately. Staff should report concerns in line with LRHA's Fraud Risk Management Policy.

5. Equality and Diversity

5.1. We are committed to fairness and equality for all regardless of their colour, race, ethnicity, nationality, gender, sexual orientation, marital status, disability, age, religion or belief, family circumstances or offending history. Our aim is to ensure that our policies and procedures do not create an unfair disadvantage for anyone, either directly or indirectly.

5.2. LRHA respects and values the differences of our residents, partners and staff and we will treat everyone we work with fairly, and with respect. This policy has been considered in light of LRHA's equality and diversity policy and is compliant with its principles.

5.3. We will comply with the Equality Act 2010 and will adapt our process or make reasonable adjustments to accommodate an individual's needs wherever possible and reasonable.

6. Monitoring and Review

6.1. This policy will be reviewed every 3 years. A review may be conducted earlier if there are significant changes to either legislation or LRHA's operating practices.

7. Associated Documents / Policies

7.1. This policy should be read in conjunction with:

- Fraud Risk Management Policy
- Allocations and Lettings Policy

7.2. Copies of these policies are available on SharePoint and will also be covered as part of the induction process of both new staff and Board Members, where appropriate.

7.3. Staff should be encouraged to consider LRHA's exposure to risk when introducing new or amending existing systems and processes. The Management Team are responsible for ensuring that systems and processes do not expose the organisation to the risk of fraud.

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