COUNCIL HOUSING
TENANCY FRAUD POLICY

JULY 2026

Policy: COUNCIL HOUSING TENANCY FRAUD POLICY

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Version Number	**Purpose / Change**	**Author**	**Date**
1.0	First issued	Michael Lerpeniere	02/07/2026

Links to Council Corporate Plan 2025-28:

Council ambition	**Linked?**
Working for a prosperous future *The Council wants to ensure the best possible local economy, with opportunities for its residents to succeed and achieve*	Yes
Healthier, safer communities *Residents should feel safe in the Borough and supported to be more active in order to improve their health and wellbeing*	
A greener and cleaner environment *It's important to everyone to look after the environment*	
Restoring the Council to good health *The Council will be placed on a sound financial footing and ensure resilience – delivering the service its residents deserve and expect*	Yes
We ♥ Castle Point *The Council will help create and maintain the best possible place to live in, work in and visit*	Yes

Lead Officer responsible for owning the Policy and internal approval body (meeting / board where the Policy is approved for adoption or approved for referral to PFH or Committee for adoption)

Name: CHRIS STRATFORD, INTERIM DIRECTOR OF HOUSING

Approved by: IAN BUTT, DIRECTOR - PLACE AND COMMUNITIES

Lead Member and Committee responsible for approving Policy:

Name: COUNCILLOR ROB LILLIS, PORTFOLIO HOLDER FOR HEALTH, WELLBEING AND HOUSING

Equality Impact Assessment undertaken?

Yes

Contents

1. Introduction

1.1 As a responsible social housing landlord, Castle Point Borough Council ("the Council") is committed to making sure the social housing in the Borough is used correctly. Fraudulent behaviour has a cost to all residents in the Borough, and fraudulently obtained social housing denies a home to families in genuine need.

1.2 The Council takes a zero-tolerance approach to any criminal financial misconduct, whether it is committed by an employee, tenant, leaseholder or external party.

1.3 This Policy explains how the Council will actively seek to prevent and identify fraud. The Council takes reports of fraud seriously and investigates fully. Where there is evidence that fraud is occurring, the Council will take appropriate steps to stop it.

1.4 This Policy outlines the Council's approach to fraud to do all it can to ensure Council homes in the Borough are used by those most in need of a home and allocated fairly and transparently. The Policy demonstrates how the Council complies with current legislation and regulation.

1.5 The Fraud Act 2006 states a person can be found guilty of fraud by false misrepresentation, failing to disclose information or abuse of position and has the intention to deceive.

2. Scope

2.1 This Policy applies to Council housing tenants, housing applicants and prospective tenants of the Council's social housing.

2.2 This Policy applies to all officers and teams in the Council involved in the management of tenancies, including any partner or contractor, external agency or organisation, providing services to tenants' homes.

3. Definitions

Assignment of tenancy	Where the tenancy passes from one tenant to another with a Deed of Assignment.
The Council	Castle Point Borough Council
Key selling	This is where the tenant is paid a sum of money or other favour to pass on the keys to their tenancy. Or where a Council employee receives payment for allocating the property in breach of the Council's Allocations Policy.
Leaseholders	Leaseholders are defined as anyone who owns a property under a leasehold agreement where the Council holds the right to the land on which the property sits.
Misleading information	Providing false information on which the Council relies to its detriment including for example (but not limited to) when purchasing under the Right to Buy Scheme, when applying to the Housing Register, when applying for succession or assignment, or misrepresenting the occupants of a tenancy.
NFI	National Fraud Initiative – a biennial data matching exercise managed by the Cabinet Office to prevent and detect fraud within UK public sector bodies.
Non-occupation	Failing to use the property as the sole or principal home, including subletting, parting with possession, and abandonment.

Obtaining housing by deception	This is where a person(s) obtain(s) a tenancy by giving false information, or omitting information, in their housing application.
Tenancy Fraud	Refers to Council-owned rented housing that is used for a purpose other than it is intended or has been obtained fraudulently.
Tenancy succession by deception	Falsely claimed succession, retaining a property after the tenant's death without eligibility.
Tenants	Tenants are defined as anyone who holds and occupies a property that is owned or managed by the Council under a tenancy agreement.
Unlawful subletting	This is where a tenant lets out their home without the Council's knowledge or permission.
Parting with possession	This is where a tenant stops using the property as their main and principal home and lets others live in it.
Unlawful use of the property	This is where the property is not being used by the tenant as their only and principal home; this may be via abandonment, subletting, parting with possession, or the property is being used for other means such as storage or illicit use.

4. Aims and Objectives of the Policy

4.1 This Policy aims to:

a) provide details of the potential impact of tenancy fraud;
b) outline how the Council will prevent and detect tenancy fraud;
c) explain how tenancy fraud can be reported and how the Council will respond to reports;
d) outline what action the Council will take against those who commit tenancy fraud;
e) raise awareness amongst staff and members of the public about tenancy fraud, what it means and how to report it; and
f) improve the monitoring and effectiveness of reporting and improve the quality of data.

5. Policy Statement

5.1 Affordable housing is a limited resource and housing fraud is a recognised threat to the provision of housing to those in genuine need, including older people and the vulnerable. Therefore, housing fraud must be a concern to all Council staff and elected Members. The purpose of this Policy is to set out specific responsibilities in respect of the prevention of housing fraud.

5.2 The impact of housing fraud can extend well beyond the direct financial loss to the Council as it can also negatively affect the communities in which it is found (such as anti-social behaviour), staff morale, the Council's reputation, and the Council's ability to maintain existing homes and to build new ones.

5.3 The Council will ensure that any allegations of housing fraud are taken seriously and investigated in an appropriate manner, subject to the requirements of appropriate legislation. Staff will report any suspicions to their manager or the Neighbourhood Team. Anonymous reports will be investigated where possible but may be more difficult to progress.

5.4 Housing fraud is a criminal offence contrary to the Fraud Act 2006, the Prevention of Social Housing Fraud Act 2013, and the Proceeds of Crime Act 2002. These are serious offences that could result in imprisonment, substantial fines, and the loss of housing. The Council will not tolerate such activities and will pursue offenders to recover the property and take the appropriate action against them, including prosecution and the confiscation of profits obtained.

6. Legislation, Regulation and Guidance

6.1 The Council is committed to ensuring that tenants' homes are occupied by tenants and their household members, and that all reasonable steps are taken to prevent and detect social housing tenancy fraud. The Council is legally required to submit data to the National Fraud Initiative (NFI) under the Local Audit and Accountability Act 2014. The NFI has identified over £2.9billion in fraud and error in the UK since 1996. It matches datasets such as payroll, pensions, blue badges, council tax and benefits across the public sector to spot fraudulent claims or errors. In addition, under the '*Regulator of Social Housing Tenancy Standard, 2024'*, all registered providers "must take action to prevent and tackle tenancy fraud."

The following list sets out the key legislation, regulation and guidance:

- Housing Act 1985
- Housing Act 1988
- Human Rights Act 1998
- Proceeds of Crime Act 2002
- The Fraud Act 2006
- The Prevention of Social Housing Fraud Act 2013
- The Local Audit and Accountability Act 2014
- Regulator of Social Housing Tenancy Standard 2024
- Regulator of Social Housing Transparency, Influence and Accountability Standard 2024

7. Impact of Tenancy Fraud

7.1 Tenancy fraud has several negative effects and has a financial cost to all residents in the Borough.

a) Properties are more likely to be neglected and in a state of disrepair, leading to higher maintenance costs for the Council;
b) There may also be problems gaining access to carry out safety checks putting occupants at risk;
c) There is also a greater risk that such properties may be associated with anti-social behaviour and crime;
d) Sub-tenants may face financial losses, eviction, and homelessness if they are unaware of their situation;
e) Fraudulent Right to Buy applications can result in significant financial losses for the Council and prevent properties from being allocated to those in genuine need;
f) Failing to deter and prevent tenancy fraud can damage the Council's reputation and increase the cost burden of investigation and court proceedings;
g) Housing applicants face longer waiting times for housing in unsatisfactory or temporary accommodation.

h) The losses incurred cost the Council substantial amounts of money; money that could be better spent on providing vital services.

7.2 Examples of tenancy fraud can be found in Appendix 2. These are not exhaustive.

8. Indicators of Housing Fraud

8.1 Some common signs of tenancy fraud include:

a) The inability to gain access to properties to carry out tenancy audit or safety checks
b) A lack of engagement between the tenant and the Council
c) The lack of repairs requested at the property
d) Regular vandalism to communal door entry systems
e) Variations of credit or arrears on a rent account
f) Council tax arrears
g) Unable to contact the tenants of the property for a prolonged period

9. Prevention and Detection of Tenancy Fraud

9.1 The Council verifies tenant information at various stages, including housing applications, tenancy assignments, and Right to Buy applications. This includes but is not exhaustive:

a) Holding photographs of tenants on customer records
b) Checking that identification provided is valid and authentic
c) Keeping copies of identification provided at sign-up on file
d) Monitoring continued residency of household members
e) Part of the verification process may include a credit check. This will focus on confirming the individual's identity, the occupation history and if the applicant or tenant has any property interests
f) Referring to Southend-on-Sea City Council Counter Fraud & Investigation Team
g) Checking council tax and housing benefit records

9.2 Housing Applicants – All housing applicants, new and existing tenants, who successfully bid on a property are required to provide certain documents to prove identify and address. The documents that will be requested are:

a) Proof of address for all adults/non-dependent children on the application
b) Proof of ID (preferably photo) for all adults/non-dependent children
c) Benefits letter, phone bill, utility bill, council tax bill, etc. dated within the last 3 months.
d) Copies of last 3 months' bank statements or post office account statements including any savings accounts
e) Proof of child benefit received for any children and birth certificates.
f) For EEA/EU nationals UK status must be confirmed through proof of EU Settlement Scheme status or indefinite leave to remain. For people subject to immigration control, proof of UK status must be sought – passport showing entry conditions/recourse to public funds.

The documents must start within the last 4 weeks of the housing application being made and be dated within the last 3 months. Applicants will not be considered for a property until these documents are received. They will also be asked to complete an allocation verification form which includes updating evidence of 9.2 a-f above.

9.3 As part of the allocation process, fraud prevention checks are carried out on applicants by the Council's Housing Register Team, who check the applicant's address history, financial details, immigration status, property ownership and, where necessary, criminal activity/convictions.

9.4 Prospective tenants will also be asked to allow the Council to take their photograph to keep on file. This information may be used to ensure that the occupier is the person to whom the tenancy was granted. The Council cannot insist on taking a photograph if tenants decline as they will have already provided proof of ID before allocation.

9.5 New tenants moving into a Council home for the first time, and existing tenants who are transferring from one Council home to another, will be asked to sign a declaration regarding the accuracy of the information that they have provided, their occupation of the property and how the Council will share their data for the purposes of preventing and detecting fraud.

9.6 The Council may cross-reference data with external agencies, such as the National Anti-Fraud Network and DWP, to ensure the validity and authenticity of the information provided. Internal electronic data matching exercises are completed within the Council to flag-up inconsistencies in information that could indicate that fraud may have taken place, signalling the need for review and potential investigation.

9.7 New and transferring tenants are contacted within six to eight weeks of moving into their new home to ensure that they and their household have moved in, and that the property is occupied.

9.8 Periodic tenancy audits are conducted at tenancy review visits to ensure compliance with tenancy agreements, capture statistics on overcrowding and under-occupancy, and identify potential tenancy fraud. The Council participates in the National Fraud Initiative (NFI) to detect fraud through data matching exercises.

9.9 Unannounced periodic tenancy reviews may be conducted by the Counter Fraud Team.

10. Reporting Tenancy Fraud and the Council's response

10.1 The Council commits to undertake an investigation for all reports received. Please email **CPBCCounterFraud@southend.gov.uk** or by phone 01702 215254. All reports of potential fraud are treated with strict confidentiality and held securely, as per the *Data Protection Act 2018 (DPA)* and *the UK General Data Protection Regulation (UK GDPR).* People reporting alleged fraud do not have to provide their details and can remain anonymous.

10.2 Upon receipt of a report of suspected tenancy fraud, the Neighbourhood Management Officer will refer the case to the Southend-on-Sea City Council Counter Fraud & Investigation Team who will carry out initial enquiries and background checks on the tenant. This may include:

a) Visiting the tenant and undertaking identification checks whilst carrying out a Tenancy Audit
b) Social media checks
c) Collaborating with other agencies and cross-checking information
d) Sensitively approaching the neighbourhood community

11. Staff involvement in Fraud

11.1 The Council takes a zero tolerance approach to staff proven to have been involved in tenancy fraud. Any staff implicated in a possible tenancy fraud in any manner will be investigated in accordance with the Council's Counter Fraud Bribery and Corruption Policy, last updated in September 2024, and procedures for dealing with allegations of fraud or corruption.

12. Tenant Responsibilities

12.1 All tenants must adhere to the terms and conditions of the Tenancy Agreement.

12.2 The Council will encourage all residents of the Borough to report all concerns they may have about any potential tenancy fraud to the Council. This can be done by emailing reportfraud@castlepoint.gov.uk or by contacting the Southend-on-Sea City Council Counter Fraud & Investigation Team on 01702 215254 which has a 24 hour answering system. Calls are returned only if further information is required.

13. The Council's Responsibilities

13.1 The *RSH Tenancy Standard 2024* makes it clear that the Council must *"publish clear and accessible policies which outline its approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud".* The Council has several clear and accessible policies that are published on the Council's website and are available in paper format upon request.

13.2 The Council is responsible for doing everything within its control to make sure that the home continues to be occupied by the tenant that the home was let to, in accordance with the requirements of the relevant Tenancy Agreement, for the duration of the tenancy, allowing for regulatory requirements about participation in mutual exchange schemes.

13.3 Targeted Tenancy Audits take place where fraud is suspected. Instances of fraud identified through the audit or by other means are escalated to Southend-on-Sea City Council Counter Fraud & Investigation Team with whom the Council has a service level agreement.

13.4 If, as part of any fraud investigation, Council employees are implicated in a possible tenancy fraud in any manner, this will be investigated in accordance with the Council's Counter Fraud Bribery and Corruption Policy, last reviewed in 2018, and procedures for dealing with allegations of fraud or corruption.

14. Partnership Working

14.1 The Council is committed to preventing and detecting social housing tenancy fraud. The Council is also committed to developing positive working relationships with partner agencies, such as the police, social services, DWP, NHS, Community Safety Partnership (CSP), other housing providers and the Council's contractors to realise the objectives of this Policy.

14.2 The Council asks that all residents in the Borough work in partnership and take responsibility for reporting any suspected tenancy fraud.

15. Monitoring and Continual Improvement

15.1 The Head of Housing Management will monitor the progress made on active fraud cases. Where appropriate cases will also be reported to the Regulator of Social Housing and the police.

15.2 Through the Council's performance management system, the following measures will be monitored monthly:

a) The number of Tenancy Audits that have been conducted
b) The number of new Tenancy Fraud cases that are being investigated

c) The number of properties where tenancies have been surrendered as a result of fraud investigations
d) The number of prosecutions made
e) The value of any new Unlawful Profit Orders or fines issued by the Court.

16. Data and Records

16.1 The Council will ensure personal information of all tenants and leaseholders (new, existing and former):

a) Is stored in accordance with the Data Protection Act 2018.
b) Is processed in a fair, confidential and secure manner.
c) Is collected for a specific, explicit and legitimate purpose.
d) Kept up to date and held only until it is no longer required.
e) Is shared only with other organisations for legitimate processing, the prevention and detection of fraud or with the person's explicit consent.
f) All tenancy records will be held intact for a full six years post tenancy end, in line with good practice guidance on document retention. Tenancy records will be disposed of in line with the Council's Data Retention Schedule, once there is no ongoing relationship.

16.2 Data and records collected during a tenancy fraud investigation will be retained for six years from the date the case was closed. The data will be disposed of in line with the Council's Data Retention Schedule.

16.3 A tenant's express consent is obtained to deliver a tenancy management service during the completion of the sign-up process. The Council has a Privacy Notice which is located on its website: Privacy Notices - Castle Point Borough Council.

16.4 The Council will complete all Tenancy Audits on a mobile device that is password protected. This will be uploaded onto the Housing IT System and stored lawfully.

17. Equality, Diversity and Inclusion

17.1 This Policy has been written to consider all protected characteristics as set out in the Equality Act 2010. An Equality Impact Assessment 'initial screening' has been carried out (see Appendix 1) which has shaped the Policy.

17.2 The Council is committed to ensuring that the Policy is non-discriminatory and that all tenants can access the service, considering any vulnerability or other specific needs, and also the needs of different groups protected by the Equality Act 2010; the Human Rights Act 1998; and for Children, Section 11 of the Children Act. To identify the needs of the Council's tenants, a new tenant questionnaire is completed at sign-up and it contains specific questions relating to vulnerability, ethnic origin, sexual orientation, disability and other relevant criteria. The information obtained will be used to monitor the impact of the Policy on minority and specific needs groups and to evidence the need for amendments, as may be required.

17.3 Under the Equality Act 2010 and section 149 of the Public Sector Equality Duty, the Council is required to give due regard to eliminate discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not, when exercising a public function such as a landlord. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This Policy complies with the Council's Equalities Policy March 2021.

17.4 It is proposed the Equality Impact Assessment is reviewed 24 months after the Policy goes live, using customer profiling data extracted from the Housing Management System.

17.5 The Council reserves the right to change this Policy to meet changes in regulations, legislation and good housing management practice. All changes will be subject to an Equality Impact Assessment.

18. Communication

18.1 Once the Policy is approved, a summary document ("a policy on a page") will be placed on the Council's website with a link to the full Policy. An approved version of this Policy will be published internally and accessible to Council employees.

18.2 The Council recognises good communication is essential in the effective delivery of tenancy fraud services. The Council has invested in a new IT system and intends to make it easier for its tenants and leaseholders to report any potential tenancy fraud.

18.3 The Council will also aim to successfully engage with vulnerable and hard to reach tenants and leaseholders. The Council will share information clearly and transparently and will ensure that information is available to tenants and leaseholders via regular publications and information on its website.

19. Review of Policy

19.1 This Policy will be reviewed every two years, unless the introduction of new legislation or good practice, a relevant major incident means it needs to be reviewed sooner.

19.2 The implementation of this Policy will be continuously monitored by the Head of Housing, and the Interim Housing Policy Officer. The results will be used to enhance future Policy reviews and continually improve the Council's service standards. The Council reserves the right to change this Policy to meet changes in regulations, legislation and good management practice. All changes will be subject to an Equality Impact Assessment. Where the change is considered to be minor, it will be approved by the Director - Place and Communities. If the change is major, approval will be by the Portfolio Holder for Health, Wellbeing and Housing.

20. Consultation

20.1 The Council is committed to meaningful tenant and leaseholder engagement.

20.2 The Council is committed to ensuring that its tenants' and leaseholders' voice is heard and that issues and suggestions raised by them are listened to and, where appropriate, acted upon. The Council will work alongside tenants and leaseholders so that they can scrutinise the work the Council is doing to tackle and prevent tenancy fraud.

20.3 In general, the Council will consult with its tenants and leaseholders on the quality of the services it provides and tenancy audits using satisfaction surveys. All data collected this way will be used to improve its strategies, procedures, and services.

21. Training

21.1 The Council will maintain a skills/training matrix to ensure that all Council employees undertaking key roles within the scope of this Policy have appropriate training.

21.2 The Council will deliver training on this Policy and the procedures that support it, including team briefings to ensure all Council employees and operatives employed by the Council's contractors understand their responsibilities for the prevention of tenancy fraud; and more detailed training for Neighbourhood Management Officers and Housing Register Officers so they have the skills required to identify potential fraud and manage reports effectively.

21.3 Training records will be maintained for all courses attended by Council employees.

22. Significant non-compliance and escalation

22.1 The Council's definition of significant non-compliance is any incident which has the potential to result in a breach of legislation or regulatory standard, or which causes a risk to health or safety. All non-compliance issues will be reported and escalated as soon as possible, and no later than 24 hours after the incident occurred or of a Council employee being made aware.

22.2 Any non-compliance issue identified at an operational level will be formally reported to the Head of Housing Management in the first instance, who will agree an appropriate course of corrective action with the Interim Director of Housing. The Interim Director of Housing will report details of the same to a member of the Senior Leadership Team which includes the Chief Executive, Director - Corporate and Customer, Director - Commercial and Assets and Director - Place and Communities and Assistant Director - Legal & Democratic Services and Monitoring Officer and Assistant Director - Finance & Procurement and Section 151 Officer.

22.3 In cases of a serious non-compliance the Chief Executive will notify the Leader, Deputy Leader and the Portfolio Holder for Health, Wellbeing and Housing.

22.4 In cases of serious non-compliance, the Chief Executive will consider whether it is necessary to disclose the issue to the Regulator of Social Housing, as required by the regulatory framework, and/or the police.

23. Governance

23.1 The Council has overall responsibility for ensuring that this Policy is implemented to ensure compliance with the *Regulator of Social Housing Tenancy Standard 2024*.

23.2 The Chief Executive reports to Cabinet to demonstrate compliance with the Regulator of Social Housing Consumer Standards 2024. Under Section 26 of the Constitution (the Officer Scheme of Delegation) the Chief Executive is authorised to delegate duties to the Directors who are then responsible to take the decisions for the effective sub-delegation of duties within their service areas of responsibility. This is to ensure the Council's statutory duties and functions are effectively discharged.

23.3 The day-to-day responsibility for preventing and tackling tenancy fraud for the Council's homes is implemented in line with this Policy has been delegated, via the Chief Executive, to the Director - Place and Communities.

23.4 The Director - Place and Communities has delegated their duty holder responsibility to the Head of Housing Management who has professional responsibility for tenancy management.

24. Associated Policies and Procedures

Castle Point Borough Council Housing Allocations Policy
Council Housing Anti-Social Behaviour Policy
Council Housing Electric Safety Policy
Council Housing Fire Safety Policy
Council Housing Gaining Access Policy
Council Housing Gas Safety Policy
Council Housing Income Recovery Policy
Council Housing Lift Safety Policy
Council Housing Maintenance and Repairs Policy
Council Housing Mutual Exchange Procedure
Council Housing Neighbourhood Management Policy
Council Housing Neighbourhood Management Procedure
Council Housing Tenancy Audit Procedure
Council Housing Tenancy Fraud Procedure
Council Housing Tenancy Management Policy
Repairs Handbook

25. Appendices

Appendix 1 – Examples of Housing Fraud
Appendix 2 – Equality Impact Assessment

Appendix 1

Examples of Tenancy Fraud

1. Emma moved in with her boyfriend but, instead of returning her tenancy to the Council, she decided to rent it out to Lance. Lance is paying Emma rent, and Emma is making a profit from this. Emma's name is on all the bills and the council tax. Emma also makes sure that she's at her old home when Neighbourhood Management Officers visit. This is subletting and is a criminal offence and is punishable by up to 2 years' imprisonment. The court can also take away all the rent that Emma received from Lance.

2. Daffyd has also moved out from his tenancy but is letting his sister Moira live in the property. Moira is paying the rent and bills, but they are all still in Daffyd's name. Daffyd is not making a profit from this but has not returned the property to the Council. He also is at his old home when the Council visits. This is parting with possession and is a criminal offence and is punishable by up to 2 years' imprisonment.

3. Greg has applied for housing to the Council, claiming to be homeless. However, Greg owns a home in another local authority. Greg did not declare this on his housing application and answered the question 'Do you own a property in England and Wales?' as 'no'. This is fraud by failing to disclose information and is a criminal offence punishable by up to 10 years' imprisonment.

4. Sally lives in a flat provided by the Council. She is also making a lot of money selling cannabis. To disguise where her money comes from, she uses it to overpay her council rent and builds up a large credit balance. She then requests a refund of the overpayment, making the money look legitimate. This is money laundering which is a criminal offence punishable by up to 14 years' imprisonment.

5. Alex has too much money in their savings account to claim benefits. They deposit some of their savings in their rent account to hide it from the DWP and continue to claim benefits. This is benefit fraud and money laundering offences which are punishable by up to 7 years and 10 years imprisonment respectively.