

Tenancy Fraud Week: The Cost of Tenancy Fraud

Tenancy fraud cost the UK over £216 million in 2018. This includes £55 million lost through the subletting of council and social housing tenancies, and £92 million lost through fraudulent Right to Buy applications. A social housing property being misused directly affects individuals and families who are waiting on the housing list, and in genuine need. It is thought to cost between £18,000 and £93,000 a year to house and support someone in temporary accommodation.

Nationally there were nearly 5,000 investigations into suspected tenancy fraud in 2017/18 and court results show there is now a substantial cost to the fraudsters who undertake tenancy fraud too. Hefty fines, community service and prison sentences are all being imposed by courts for those who choose to abuse the housing system.

Recent cases in the headlines include an individual who had a housing association tenancy on a property in the centre of a national park, in a highly desirable tourist town with a 12 year waiting list. Checks revealed that another person was paying the utility bills at the property. The real tenant was found not only living elsewhere but was paying a mortgage at the new property too. He received a fine of over £1,600.

Right to Buy verifications have also revealed subletting frauds. Tenants who wish to undertake their Right to Buy the property have to be living there as their main home. Yet there are those who have been renting out their council property to someone else, then wish to make more money by buying the property for a substantial discount. A North London tenant applied to purchase his property, and was eligible for a discount of £108,000 off the sale price due to the length of his tenancy. However, he had not been living at the property, and had received over £36,000 in rent from the person whom he had sublet his tenancy to. The real tenant received a 16 month suspended prison sentence and 200 hours' community service. Another tenant in the West Midlands had applied for a Right to Buy, with a discount of £44,000. However, Council officers identified that she had sublet her council property to her family. She had moved to a privately rented property 20 miles away which had become her main home. She received a suspended 18-month prison sentence, 80 hours' community service and was ordered to pay £2,500 in court costs.

Tenancy fraud is not just undertaken by those who already have a tenancy. There have been recent cases involving those fraudulently applying for a house in the first place. In the Birmingham area, two council tenants were evicted from their properties, after it was found that they had applied using false details: one had a fake passport, and they actually had no right to social housing; the other had failed to inform the council that they owned a property which they had been renting out. In this second case, the council also spent £40,000 on adaptations to the property for the tenant. Both tenants received suspended prison sentences.

Tenancy fraud does not just affect council and housing associations and their resources, it also affects those who are on the waiting list and those seeking mutual exchanges.

You can follow the work being done in the region by searching Twitter for [#housingcheats](#) and keep up to date with frauds being tackled by following Veritau on [Facebook](#) and [Twitter](#).

If you suspect someone is involved in tenancy fraud, or any other fraud against the council, you can let us know by calling 0800 9179 247 or by emailing counter.fraud@veritau.co.uk.