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SOCIAL HOUSING FRAUD DETECTION IN SHARP DECLINE IN ENGLAND, FINDS RESEARCH

- **148,000 social housing tenancy frauds in England, new report suggests.**
- **£500M 'detection deficit' found in English social housing fraud pre-pandemic.**
- **Government and regulator failing to provide leadership needed to tackle the problem, says Fraud Advisory Panel and Tenancy Fraud Forum.**

Action from government, regulators and social housing providers is needed to tackle the widespread problem of tenancy fraud in social housing amid housing waiting lists of more than 1.2m families in England, a new report has suggested.

The Fraud Advisory Panel and the Tenancy Fraud Forum (TFF) have published new research, *Lost homes, lost hope: social housing fraud in England – recovering social homes for those in need*. It examines the problem of social housing fraud, often called tenancy fraud, which is the unlawful occupation of social housing property.

Findings suggest that the amount of tenancy fraud detected fell by 50% between 2013/14 and 2019/20, following the abolition of the Audit Commission in 2015. It is estimated that at least 148,000 social housing homes are currently subject to some form of tenancy fraud across England.

The report attempts to address the lack of official data, with a snapshot of social housing fraud as it is today in England as a whole and in each of the nine regions based on calculations drawn from previous analysis of tenancy fraud detections. It also aims to address the financial cost to the public purse of social housing fraud at a time when 95,000 families are currently in temporary accommodation and more than 1.2 million families are on the housing waiting list in England.

Tenancy fraud is most severe in London, where one in 20 social homes are thought to be affected by it. Outside the capital, one in 30 social homes are thought to be subject to tenancy fraud.

The 'detection deficit', the difference between actual detections and what could be achieved by widespread adoption of good practice is calculated to have risen from 52% in 2013/14 to 76% in 2019/20. The Fraud Advisory Panel and TFF estimate that the cost of this deficit to the public purse was £500 million across England in 2019/20 alone, which would be enough to build 4,359 new homes.

In the West Midlands, where there are 104,000 families on the housing waiting list, the report put the difference between detections and what could be achieved by good practice at 84%. Meanwhile, across the South-West, there were currently estimated to be 10,800 tenancy frauds.

Ignoring the problem costs the public purse on average £42,000 for each fraudulently-occupied property, the Panel and TFF said.

However, the scale of the problem is hard to quantify, as the government only began collecting data on local authorities' detection of just one type of social housing fraud – sub-letting for profit - from 2018. The Regulator of Social Housing has never collected any data on any type of social housing fraud detected by housing associations, despite housing associations providing most of the social

housing in England. This matters because fraud and fraudsters thrive in the absence of scrutiny, the Fraud Advisory Panel and TFF said, adding that as a result, local authorities and housing associations are not being held properly to account for their stewardship of public assets.

Alan Bryce, Business Fraud Campaign Manager at the Fraud Advisory Panel and Non-Executive Director of Tenancy Fraud Forum, said:

“Our research across England paints a depressing picture of public waste, missed opportunities, with both a lack of data and accountability, but this is not the worst of it. Evidence of a weakening commitment and limited efforts to adopt good practice in managing tenancy fraud risk by many local authorities and housing associations has resulted in a significant ‘detection deficit’.

“Social housing is for those in genuine need, not for fraudsters to exploit for their own personal gain. It is time for government, the Regulator of Social Housing and housing providers, to show leadership and take long overdue action.

“If good practice had been widely adopted since 2015, levels of detected tenancy fraud might have doubled, but instead our research demonstrates they have halved, leading to a significant cost to the public purse as nearly 150,000 social homes are exploited and misused for criminal gain. Our research makes grim reading for social housing providers, central government and the Regulator of Social Housing, as well as the tens of thousands of homeless families in temporary accommodation, due in no small part to the continued failure to tackle the problem.”

Solving the problem

Tenancy fraud can be tackled with strong, committed leadership; in-person, no-notice inspections from trained staff looking for fraud; and the use of data and research to identify hotspots and tackle concerns.

The report calls on central government and the Regulator of Social Housing to collectively acknowledge and commit to tackling the problem. With an estimated cost of £114,000 per new home, the political will to do so needs to be in place, the Panel and TFF said.

The Fraud Advisory Panel and the TFF also call upon social housing providers to commit to tackling tenancy fraud by recovering money from fraudsters where possible and obtaining information from lettings agents where appropriate. More partnership working and good practice should be adopted in tenancy audits, the report found.

In particular, the authors suggest that there should be more accountability for and oversight of housing associations as stewards of public assets by the Regulator of Social Housing, without which little progress is possible. They also want to see more publicly available data for all local authorities and housing associations so they can be held to account; and a better use of tools to tackle short-term illegal sub-letting online. Letting agents, especially online letting platforms, can do more to stem the flow of tenancy frauds if they choose.

Katrina Robinson MBE, Chair of the Tenancy Fraud Forum, said:

“While this report cannot begin to fill the data chasm between social housing stakeholders and a calibrated fraud response, we hope our research will start to build a bridge to reignite the social housing fraud debate and directly help to tackle the housing difficulties faced by thousands of people. Without the support of central government and the regulator, the problem will only get worse, so it’s up to us to do everything we can to raise awareness of the issue and what can be done to tackle it.”

Methodology

The research uses 2013/2014 as its base line year, focusing on the period up to 2019/20 to show the long-term trend in social housing fraud, before the COVID-19 pandemic. The trend in detection post-pandemic is also shown. Three indicators are used to measure social housing fraud (*see below and Appendix II in the report for methodology and assumptions*), and calculations are based on a combination of detailed historic information and current data, as below:

1. The total number of actual tenancy frauds currently detected by social housing providers in each English region.
2. The level of tenancy fraud detections that **should have been possible** if actual detection rates in 2013/14 had been maintained until the present (the lower bar of achievement that is possible)
3. The level of the tenancy fraud detections which would have been achieved had **good practice** been adopted by all social housing providers after 2013/14 (the higher bar of achievement that is possible). The difference between actual detections and what could be achieved through adoption of good practice is the '**detection deficit**'.

ENDS

Notes to editors:

Social housing fraud (often called tenancy fraud) is the unlawful occupation of a social housing property such as:

- Subletting for profit to someone not entitled to live under tenancy agreement.
- Providing false information as part of a tenancy application.
- Wrongful assignment and succession where the property is no longer occupied by the original tenant.
- Failure to use the property as a principal home, abandoning it or 'selling the key', to a third party.

Sub-letting for profit is a crime under the Prevention of Social Housing Fraud Act 2013. Other types of tenancy fraud have been prosecuted under the Fraud Act 2006.

About the Fraud Advisory Panel

The Fraud Advisory Panel is the voice of the counter-fraud profession, committed to tackling fraud and financial crime. We aim to strengthen fraud resilience by championing best practice in fraud prevention, detection, reporting, investigation, and prosecution. We do this through education, advice and research.

Our members come from a wide range of professions and sectors but are united by their determination to counter fraud. This diversity gives us knowledge, experience and authority.

Founded in 1998 by ICAEW, and now celebrating its 25th anniversary, the Fraud Advisory Panel is a charitable company limited by guarantee registered in England and Wales (charity number 1108863; company number 04327390). [fraudadvisorypanel.org](https://www.fraudadvisorypanel.org)

About the Tenancy Fraud Forum

Started in 2012, the Tenancy Fraud Forum was established to encourage and support social housing providers across the country to tackle tenancy fraud more effectively collaboration, sharing of best practice, training and guidance. The Executive Committee is made up of fraud specialists from local authorities and housing associations. It is a not-for-profit organisation and membership is free and always will be. <https://www.tenancyfraudforum.org.uk/>

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