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Tenancy Fraud Forum

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PANEL

Lost homes, lost hope

Social housing fraud in England – recovering social homes for those in need

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Lost homes, lost hope

Homelessness is on the increase. Most families on housing waiting lists may never be offered social housing. The stock of social homes has been shrinking for decades.[1]

It has never been more important to make maximum use of the existing housing stock. And yet, with social housing fraud (often referred to as tenancy fraud) rife, and rising, relatively few providers (never mind the government and regulator that supervises them) show much enthusiasm for tackling the problem.

Social housing is supposed to provide affordable and secure accommodation for those in genuine need. These are the true victims of tenancy fraud; the families whose opportunity to put down roots, get on in life and plan for the future[1] is being stolen.

As ever with frauds hiding in plain sight, complacent voices argue that the problem is too trivial to care about. There's been no-one to collect tenancy fraud data from local authorities since the Audit Commission was abolished in 2015. The regulator of housing associations has never collected it.

Much more could (and should) be done to recover the many thousands of social homes being exploited and misused for criminal gain. Instead, the number of fraudulent tenancies seems to be growing. It is high time the trend was reversed.

This report is our attempt to sidestep the scandalous paucity of official data and fashion a snapshot of social housing fraud as it is today, in England as a whole and in each of its nine regions.

To say our findings make disappointing reading would be a grave understatement, especially for the million-plus people stuck on waiting lists, the many thousands languishing in temporary accommodation, or those without any kind of roof over their head.

This year the National Audit Office in their Tackling Fraud and Corruption Against Government report stated that "while some fraud and corruption against the taxpayer is inevitable, all public bodies have a responsibility to minimise it". Our findings starkly demonstrate that central government, the Regulator of Social Housing and many social housing providers are failing in that responsibility, and nobody is effectively holding them to account.

We hope the insights this report provides will help social housing providers, policy-makers and regulators to grasp the nettle.

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Introduction

A brief history of social housing fraud

Social housing tenancy fraud, often called tenancy fraud, is on the rise and so are many of its drivers:

- **A shortage of affordable housing in the private sector.**
- **Shrinking or stagnant incomes (the other side of the cost-of-living squeeze).**
- **Easier short-term or holiday-letting using online platforms, feeding a shortage of longer-term tenancies.**
- **Continuous pressure on the budgets, staffing and skills of social housing providers.**

Nearly 100,000 social homes in England were subject to some form of tenancy fraud in 2012.[2] Today the figure is at least 148,000[3] – that's 1-in-20 of all social homes in London and about 1-in-30 elsewhere in England.

As we shall see, the available evidence suggests that there has, if anything, been a steady decline in the commitment and resources devoted to tackling the problem.

Social housing is a vital community asset. The public has every right to expect better.

?

What is tenancy fraud?

It's when someone occupies a social housing property unlawfully, such as:

- **Subletting for profit to someone not entitled to live there under the 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**
- **Failing to use the property as a principal home, abandoning it, or 'selling the key' to a third-party.**

Sub-letting for profit, a common type of tenancy fraud, 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.

148,000

Social homes subject to some form of tenancy fraud in England today.

1 in 20

Social homes in London subject to some form of tenancy fraud

Case study

A housing association tenant in a prime London location used online platforms and social media to illegally sub-let their property for five years while living elsewhere. The property was recovered after a tip-off and the tenant required to pay back £45,000 in unlawful profits.

A BRIEF HISTORY OF TENANCY FRAUD DETECTION

Tenancy fraud was long considered 'a London problem'. Beyond the capital, few social housing providers (housing associations and local authorities) considered it a priority.

Let there be data

Change came in 2009. The Audit Commission's annual report, *Protecting the Public Purse,* measured the true extent of the problem for the first time, publishing tenancy fraud detection rates for every local authority in England.[4] Tenancy fraud detection was now a matter of public concern for every English council. The need for specialist investigators began to be recognised. Notable stakeholders – including the Chartered Institute of Housing and the National Fraud Authority (now-disbanded) – increasingly worked in partnership. Good practice was shared more widely, often through the work of the Tenancy Fraud Forum (formed in 2012). A new offence was even created to cover one type of tenancy fraud, sub-letting.

A new spirit

The new spirit of transparency, cooperation and accountability soon showed in the numbers. Average detections by English local authorities nearly doubled between 2009 and 2014.[5] Where detections had been negligible, they snowballed into the hundreds. Research in 2012 found that housing providers following good practice in tenancy audits were nine times more likely to identify tenancy fraud.[6]

All this made 2014 something of a high-water mark, both for the number of tenancy frauds detected (but only by English local authorities) and our understanding of how this was being achieved.[7]

They were Halcyon days.

Lost investigators

The government's decision to create a Single Fraud Investigations Service (SFIS) by 2016 began to remove local authorities' in-house benefit fraud investigators.[8] These were often the same people investigating tenancy fraud.[9] The Audit Commission warned that local authorities would need government funding to support their capacity to tackle non-benefit frauds, such as social housing fraud, but no long term funding was ever provided and then it too was dismantled in 2015.[10] For the first time in many years, there was no complete picture of fraud detection by all English local authorities.

Data? What data?

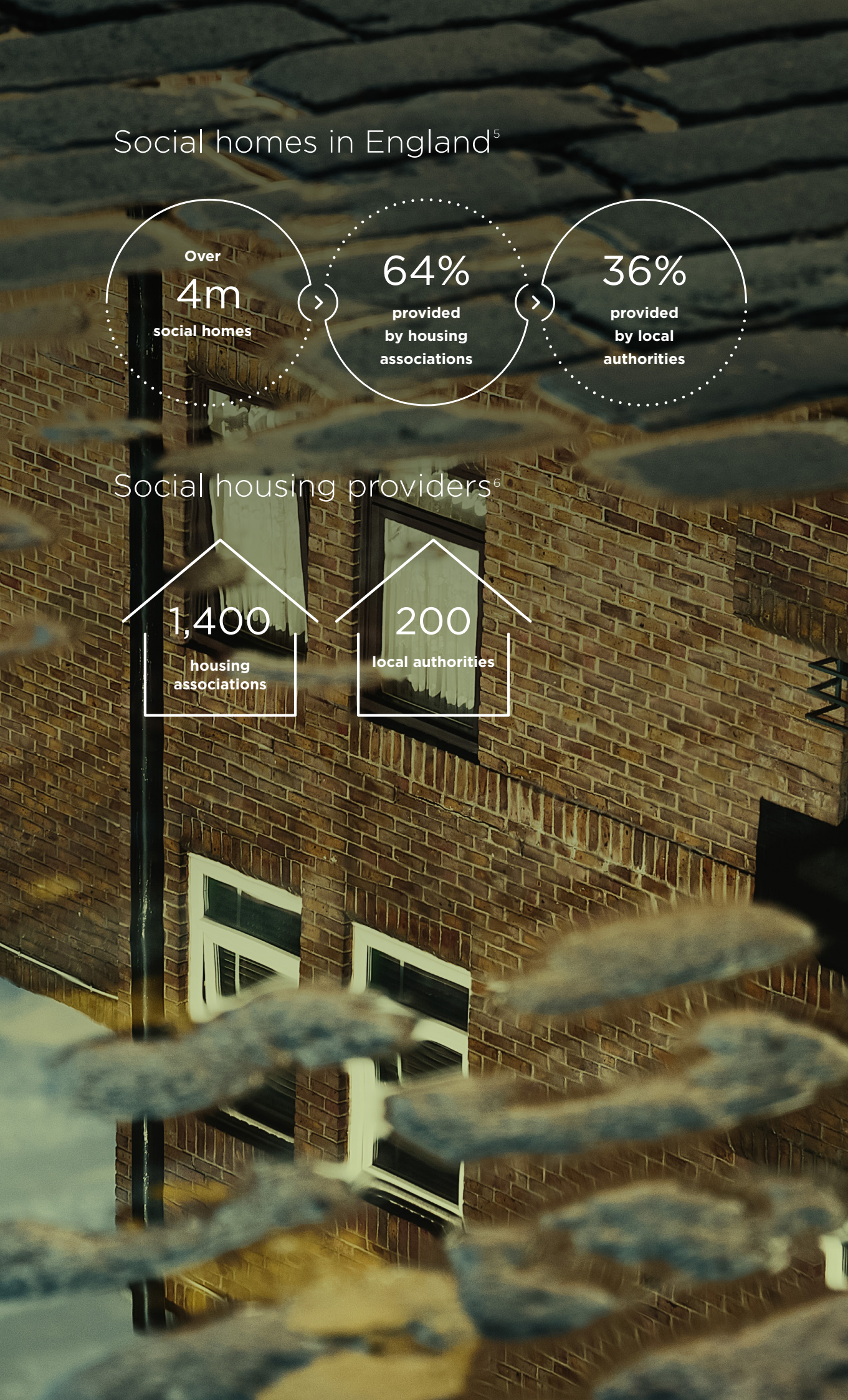
Even during that all-too-brief golden period, 2009-14, a gaping hole remained in the tenancy fraud data. Unlike the Audit Commission, the government's Regulator of Social Housing had never collected tenancy fraud information from the housing associations it supervises. It still doesn't, even though housing associations now provide the vast majority of all social housing. What the regulator measures matters and has been shown to drive improvements in detection performance.

With the Audit Commission gone, even the tenancy fraud data collected for local authorities is limited to just one type – sub-letting. And in many regions sub-letting is not even the most common type of tenancy fraud.

Mind the gap

We shouldn't need to say it again and again, but good data is critical to tackling any kind of fraud, in any sector. Tenancy fraud is no exception but since 2014 the social housing sector has effectively been flying blind.

This report cannot begin to fill the data chasm that now lies between social housing stakeholders and a properly-calibrated fraud response, but we have tried to build a bridge.


Social homes in England[5]
Over
4m
social homes
64%
provided by housing associations
36%
provided by local authorities
Social housing providers[6]
1,400
housing associations
200
local authorities

Main findings

The detection deficit

THE DETECTION DEFICIT

The government chose not to continue publishing local authority tenancy fraud detection data after 2014. The Regulator of Social Housing still chooses not to collect it for housing associations. These are decisions with which we profoundly disagree.

Looking the other way never ends well with fraud. It simply makes matters worse later. Fraud and fraudsters thrive in the absence of scrutiny.

Key indicators

The limited scope of the official data has required us to make a series of calculations based on a combination of detailed historic information and current data for sub-letting offences, both gathered from local authorities, but applied to local authority and housing associations combined.

From these we have created three key indicators:

- **The total number of actual tenancy frauds currently being detected by the social housing providers in each English region.**
- **The level of tenancy fraud detections that should have been possible if actual detection rates in 2013/14 had been maintained into the present (lower bar of detection that is achievable).**
- **The level of tenancy fraud detections that would have been achieved if good practice had been adopted by all social housing providers after 2013/14 (high bar of detection that is achievable).**

Unsteady state

We can think of no reason why tenancy fraud detection activity by social housing providers should not have been at least as vigorous in 2019/20 as it was in our base year of 2013/14 (the last year for which we have good data from the Audit Commission).

In fact, tenancy fraud detections more than halved during those eight years. As a consequence, 3,691 more properties were left in the hands of fraudulent tenants in 2019/20 alone than should have been the case.

The cost to the public purse was £155m. (Each social housing property occupied fraudulently is estimated to cost the public purse £42,000)

Since on average it costs about £114,000 to build a new unit of social housing in England, that £155m is enough to pay for the construction of 1,362 new homes in just that year.

Over the same period up to 2019/20 the number of homeless families in temporary accommodation increased by 55% to 95,000 in England.

Case study

When a housing association was warned that one of its properties was being managed by a local estate agent, it led them to a multiple offender. Over a three year period the fraudster had illegally sublet two properties (otherwise occupied by family members) and acquired a third tenancy by deception. The estate agent professed ignorance on the checks they should have undertaken.

Absolute decline

Unfortunately, this already depressing picture of public waste and missed opportunities is not the worst of it.

The figures above assume no improvement in social housing providers' commitment to, or resourcing of, these important activities in the years since 2013/14.

On the contrary, there is evidence of a weakening commitment and only limited (if any) efforts by many social housing providers to adopt good practice in managing tenancy fraud risks. This is the most likely explanation for the massive drop in tenancy fraud detection that we have found.

Our methodology suggests that, had good practice been more widely adopted, levels of detected tenancy fraud might have doubled. Instead, they halved. This is what we call the detection deficit.

By 2019/20, social housing providers are thought to have been detecting barely a quarter (24%) of the tenancy frauds they could reasonably have expected to recover if they had adopted good practice, down steeply from a half (48%) in 2013/14.

The cost to the public purse of this much larger detection deficit was nearly £500m in 2019/20. Enough to build 4,359 extra social homes.

Regional analysis

This commentary focuses on the results for England as a whole. Individual results for each of the nine English regions can be found in Appendix I, starting on page 16.

Accounting for the pandemic

Our core analysis ends with the data for 2019/20, before the outbreak of Covid, to retain a clear picture of the long-term trend. Detections fell by two-thirds in England in 2020/21 with a post-pandemic bounce in 2021/22 reinstating only about half of the lost activity.

Methodology

Notes on our methodology and assumptions can be found in Appendix II (page 26), with much more detail available on the Fraud Advisory Panel and Tenancy Fraud Forum websites.

Case study

A call to arrange property repairs raised suspicions at one housing association. Investigators found the tenant had been living abroad for years while sub-letting the property. An Unlawful Profit Order for £81,000 was made and the property recovered.

Case study

Investigations by housing officers found a tenant who had been illegally sub-letting their council flat for five years. The property had attracted more than 300 online reviews, some helpfully mentioning the culprit by name. The property was recovered and the Unlawful Profit Order came to nearly £101,000.

England (all regions)

Between 2013/14 and 2019/20

Tenancy fraud detections:

50% ↓

Cost to public purse:

£155m

(or 1,362 new homes) in 2019/20 alone

Detection deficit:

76%

of tenancy frauds go undetected

Cost to public purse:

£500m

(4,359 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

55% ↑

Homelessness today

Families in temporary accommodation:

95,000

Families on housing waiting lists: more than

1.2m

Tenancy frauds in England:

148,000

The Covid effect

Inevitably, the pandemic had a dramatic effect on already-low levels of tenancy fraud detection, reducing them by 67% in 2020/21. An increase in activity the following year still left detections 31% below the pre-Covid level.

Chart 1: England (all regions) tenancy fraud detections

England

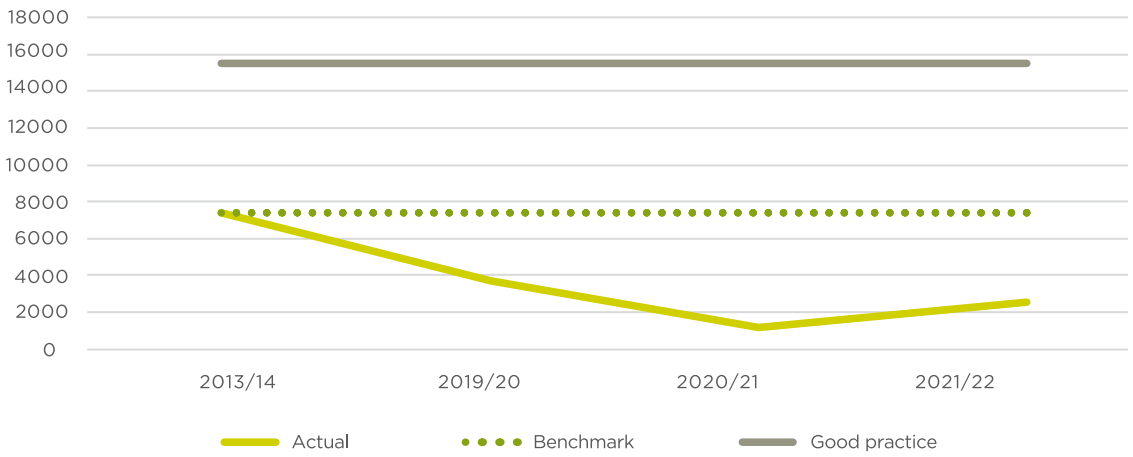


Table 1: England (all regions) tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud[†]	8,135 (52%)	11,832 (76%)	14,320 (92%)	12,985 (84%)

What Next?

What needs doing and who needs to do it?

Tackling social housing fraud properly – that means with energy and resources in proportion to the true scale of the loss to the public purse – is necessarily a job for the sector as a whole. Central government and the Regulator of Social Housing need to acknowledge this problem collectively and commit to the fight as well.

MORALLY AND FISCALLY COMPELLING

The moral and fiscal cases for tackling social housing fraud are compelling.

- **Local authorities** have a responsibility to stop the financial waste and (more importantly) do right by local families. Councillors should be making sure they are.
- **Housing associations** must be responsible stewards of these important public assets, taking reasonable steps to avoid undue risk, safeguard taxpayers' interests and deliver decent outcomes for tenants, present and future.[11]

Fighting fraud is almost always good value. As the Audit Commission noted back in 2011[12], tackling this problem is one of the most cost-effective ways of 'creating' more homes for those in need.

- **Building new costs £114,000 a unit, assuming that it's politically possible to do so.**
- **Ignoring the problem cost the public purse on average £42,000 for each property occupied fraudulently.**
- **As the mini case studies in this report show, legal action like Unlawful Profit Orders can return significant sums to the housing provider, but that is not enough to fund the action required.**

We call on all social housing providers to:

1. **commit publicly to tackling tenancy fraud;**
2. **strengthen recovery using tools like Unlawful Profit Orders (to recover ill-gotten gains) and Norwich Pharmacal Orders (to compel online letting agents to provide information);**
3. **explore opportunities for cooperation, such as partnership working; and**
4. **adopt good practice in tenancy audits.**

GOOD PRACTICE IN TACKLING TENANCY FRAUD

Social housing providers can draw on a number of high-quality sources of good practice guidance, including the Tenancy Fraud Forum and Fraud Advisory Panel.

Commitment – make a solid, public pledge to tackle tenancy fraud. This needs to come right from the top.

Audit – tenancy audits should be undertaken with the main purpose of detecting tenancy fraud, this means in-person, unexpected (give fraudsters no time to cover their tracks) and in particular by specialist investigators or housing officers trained in fraud awareness.

Data and local knowledge – use data-matching (often with partner organisations) to flush out suspicious activity; boost public awareness of the signs and make it easy for staff and the public to report concerns; mine social media and potentially online booking tools for evidence.

To learn about and share good practice locally, we encourage providers to engage with their closest regional Tenancy Fraud Forum.

LEADERSHIP NEEDED

But it is central government and the Regulator of Social Housing which must take the lead.

The Fraud Advisory Panel's recent special reports, *Hidden in Plain Sight*[13] (on domestic corruption and the integrity deficit) and *Running on Empty*[14] (how the pandemic revealed a wasted decade) described a public realm pared to the bone by more than a decade of neglect and cost-cutting. Unsurprisingly, similar problems are clearly visible in the social housing sector:

- **Confused accountability, perverse incentives** – housing associations control two-thirds of the social housing stock but are not incentivised to tackle tenancy fraud because the temporary accommodation costs for homeless families fall on local authorities instead.
- **Inadequate oversight** – the Regulator for Social Housing could encourage housing associations to play their full part in the fight against tenancy fraud simply by enforcing existing governance requirements more vigorously and consistently.
- **Bad or missing data** – local authorities do have a financial incentive to tackle housing tenancy fraud, but without good data local councillors and communities struggle to hold them to account.
- **Fraud-enabling technology** – social media and online letting platforms have changed the balance of power in fighting fraud.
- **Declining accountability and transparency** – gatekeepers and regulators have been systematically underfunded or abolished.

Case study

After a long period without contact, one housing association began to suspect that its tenant had abandoned their property entirely. Not exactly. They had been living abroad for more than twelve years while pocketing more than £200k in rent from illegal subletting. An order for unlawful profits and costs totalling £155,000 was made and the property recovered.

We call on the government and the Regulator for Social Housing to:

1. **collect and publish comprehensive, sector-wide tenancy fraud detection date;**
2. **fund the adoption of good practice in tenancy fraud management by all social housing providers; and**
3. **hold them properly to account for their stewardship of public assets.**

We call on estate agents, whether bricks-and-mortar or online, to:

1. **undertake basic due diligence on properties before advertising them for rent;**
2. **consider voluntarily providing data to social housing providers to help identify tenancy frauds and to deter potential fraudsters; and**
3. **remove illegal listings when detected and to block accounts of those who have attempted to fraudulently let the property.**

ESTATE AGENTS AND ONLINE LETTING AGENTS

It is a criminal offence (Accommodation Agencies Act 1953) to advertise a property for rent without the landlord's express authorisation.

Sub-lets are illegally advertised through high street estate agents nonetheless. But it is the internet – in particular the rise of social media small ads and online letting platforms – that has turbo-charged the short-term illegal sub-letting of social homes.

Some, but not all, online letting agents willingly share information. One recent case provides hope of a more universally supportive approach. In 2022, a London local authority trying to identify illegal sub-letting and holiday letting of its homes, successfully obtained a specialist court order (a Norwich Pharmacal Order) that provided a legal gateway for a leading online letting platform to release information.[15]

Case study

Following a referral by the police, one housing association found that its tenant had been illegally sub-letting their flat while living elsewhere, collecting rent worth more than £50,000 and claiming housing benefit worth almost £52,000. An Unlawful Profit Order for £102,000 was made and the flat recovered.

Appendix i

Regional findings

East England

Between 2013/14 and 2019/20

Tenancy fraud detections:

35% ↓

Cost to public purse:

£7.8m

(or 68 new homes) in 2019/20 alone

Detection deficit:

80%

of tenancy frauds go undetected

Cost to public purse:

£56m

(491 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

90% ↑

Homelessness today

Families in temporary accommodation:

6,500

Families on the housing waiting list:

92,000

Tenancy frauds in this region:

13,000

The Covid effect

The pandemic had a dramatic effect on already-low levels of tenancy fraud detection, reducing them by 67% in 2020/21. An increase in activity the following year still left detections 25% below the pre-Covid level.

Chart 2: East England tenancy fraud detections

East of England

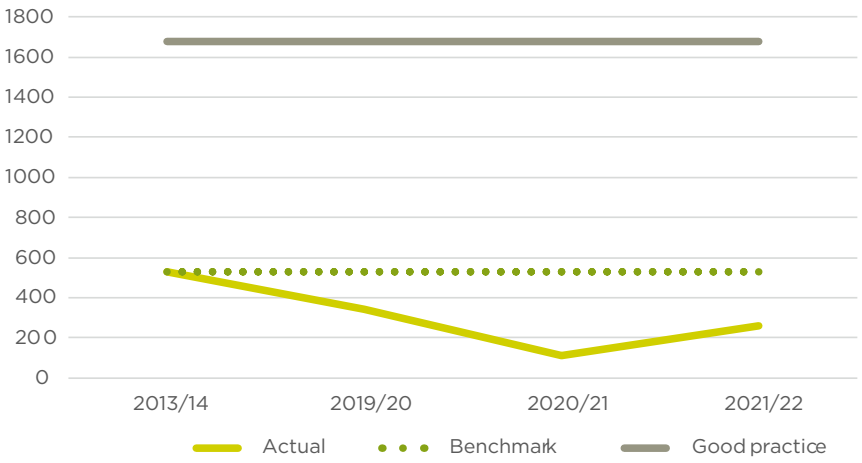


Table 2: East England tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud[†]	1,147 (68%)	1,333 (80%)	1,562 (93%)	1,419 (85%)

East Midlands

Between 2013/14 and 2019/20

Tenancy fraud detections:

41% ↓

Cost to public purse:

£4.5m

(or 39 new homes) in 2019/20 alone

Detection deficit:

80%

of tenancy frauds go undetected

Cost to public purse:

£26.5m

(or 232 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

140% ↑

Homelessness today

Families in temporary accommodation:

2,400

Families on the housing waiting list:

80,000

Tenancy frauds in this region:

10,000

The Covid effect

The pandemic had a dramatic effect on already-low levels of tenancy fraud detection, reducing them by 58% in 2020/21. An increase in activity the following year, 2021/22, still left detections 31% below the pre-Covid level.

Chart 3: East Midlands tenancy fraud detections

East Midlands

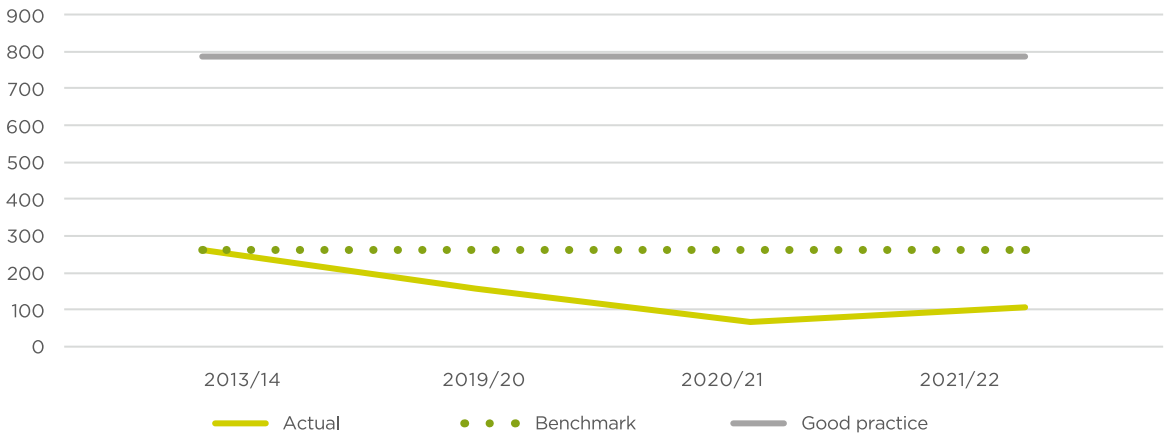


Table 3: East Midlands tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud†	525 (67%)	632 (80%)	722 (92%)	681 (86%)

London

Between 2013/14 and 2019/20

Tenancy fraud detections:

48% ↓

Cost to public purse:

£80m

(or 701 new homes) in 2019/20 alone

Detection deficit:

70%

of tenancy frauds go undetected

Cost to public purse:

£200m

(or 1,754 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

60% ↑

Homelessness today

Families in temporary accommodation:

55,000

Families on the housing waiting list:

300,000

Tenancy frauds in this region:

51,000

The Covid effect

The pandemic had a dramatic effect on already-low levels of tenancy fraud detection, reducing them by 74% in 2020/21. An increase in activity the following year, 2021/22, still left detections 39% below the pre-Covid level.

Chart 4: London tenancy fraud detections

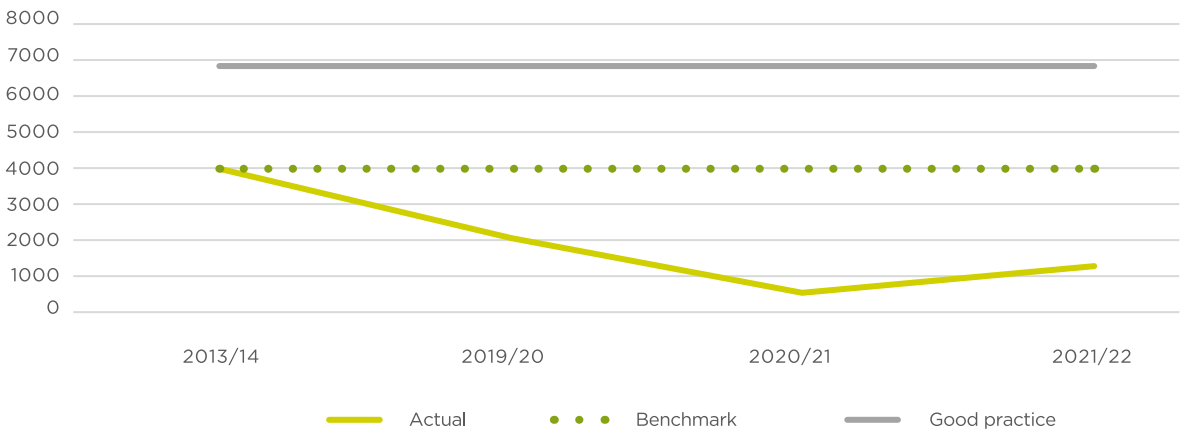


Table 4: London tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud†	2864 (42%)	4,769 (70%)	6,307 (92%)	5,568 (81%)

North East

Between 2013/14 and 2019/20

Tenancy fraud detections:

84% ↓

Cost to public purse:

£6.4m

(or 56 new homes) in 2019/20 alone

Detection deficit:

94%

of tenancy frauds go undetected

Cost to public purse:

£18m

(or 157 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

60% ↑

Homelessness today

Families in temporary accommodation:

600

Families on the housing waiting list:

46,000

Tenancy frauds in this region:

8,200

The Covid effect

Curiously, the pandemic seems to have had no effect on what were already incredibly low levels of tenancy fraud detection. The numbers remained static in 2019/20, 2020/21 and 2021/22.

Chart 5: North East tenancy fraud detected

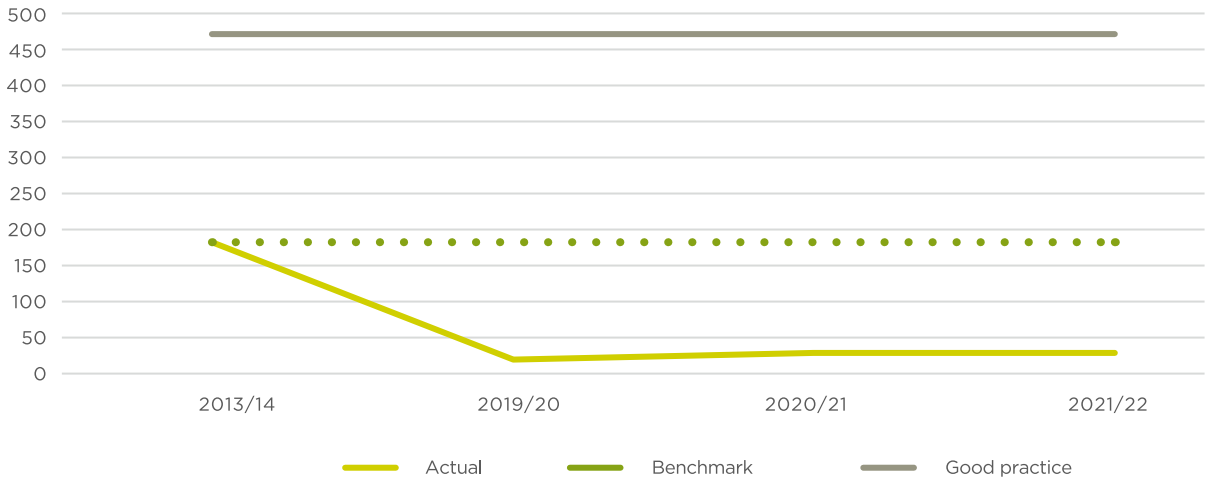


Table 5: North East tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud†	290 (61%)	443 (94%)	443 (94%)	443 (94%)

North West

Between 2013/14 and 2019/20

Tenancy fraud detections:

11% ↓

Cost to public purse:

£1.2m

(or 10 new homes) in 2019/20 alone

Detection deficit:

51%

of tenancy frauds go undetected

Cost to public purse:

£10m

(or 87 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

300% ↑

(From a relatively low base)

Homelessness today

Families in temporary accommodation:

6,000

Families on the housing waiting list:

182,000

Tenancy frauds in this region:

18,100

The Covid effect

The pandemic had a dramatic effect on already-low levels of tenancy fraud detection, reducing them by 75% in 2020/21. An increase in activity the following year, 2021/22, still left detections 50% below pre-Covid levels.

Chart 6: North West tenancy fraud detections

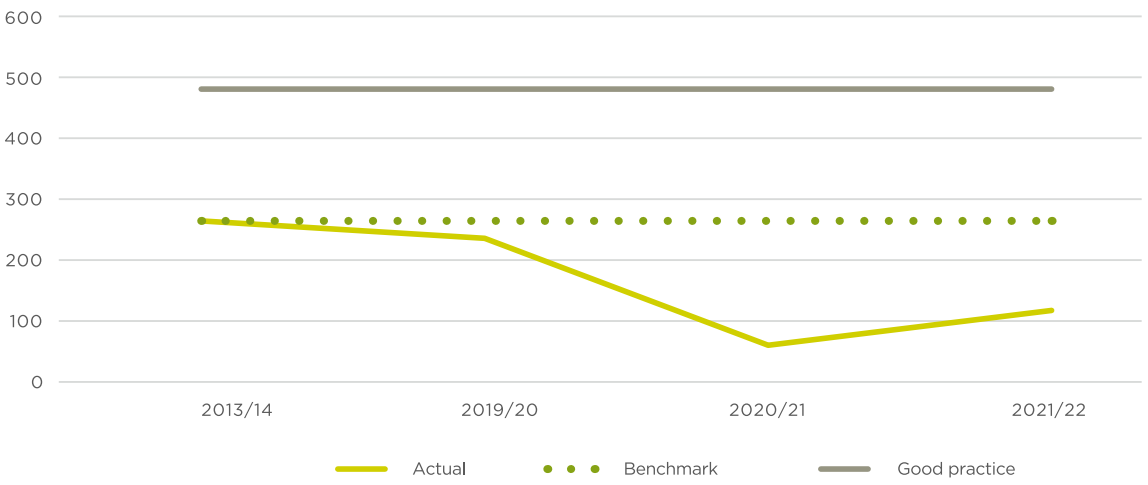


Table 6: North West tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud†	215 (45%)	245 (51%)	421 (88%)	362 (75%)

South East

Between 2013/14 and 2019/20

Tenancy fraud detections:

75% ↓

Cost to public purse:

£13.7m

(or 120 new homes) in 2019/20 alone

Detection deficit:

93%

of tenancy frauds go undetected

Cost to public purse:

£60m

(or 526 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

110% ↑

Homelessness today

Families in temporary accommodation:

11,100

Families on the housing waiting list:

116,000

Tenancy frauds in this region:

17,100

The Covid effect

Curiously, the pandemic seems to have had no effect on the (very low) level of tenancy fraud detections, with numbers remaining constant in 2019/20 and 2020/21, before doubling in 2021/22.

Chart 7: South East tenancy fraud detections

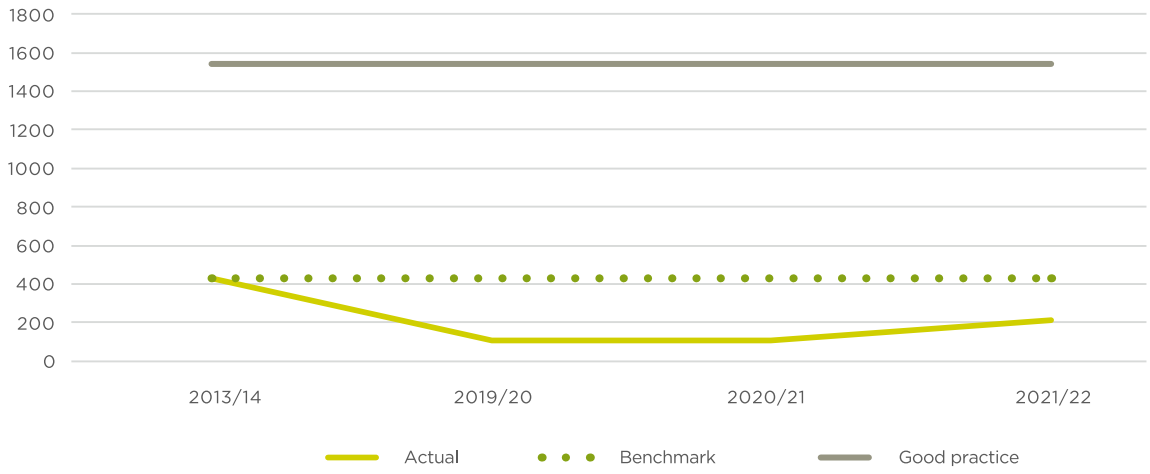


Table 7: South East tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud[†]	1,111 (72%)	1,437 (93%)	1,437 (93%)	1,331 (86%)

South West

Between 2013/14 and 2019/20

Tenancy fraud detections:

64% ↓

Cost to public purse:

£11.4m

(or 100 new homes) in 2019/20 alone

Detection deficit:

84%

of tenancy frauds go undetected

Cost to public purse:

£34m

(or 298 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

50% ↑

Homelessness today

Families in temporary accommodation:

4,300

Families on the housing waiting list:

122,000

Tenancy frauds in this region:

10,800

The Covid effect

The pandemic reduced already-low levels of tenancy fraud detection by 50% in 2020/21. A matching increase in activity the following year returned detections precisely to the pre-Covid level.

Table 8: South West tenancy fraud detection deficit

South West

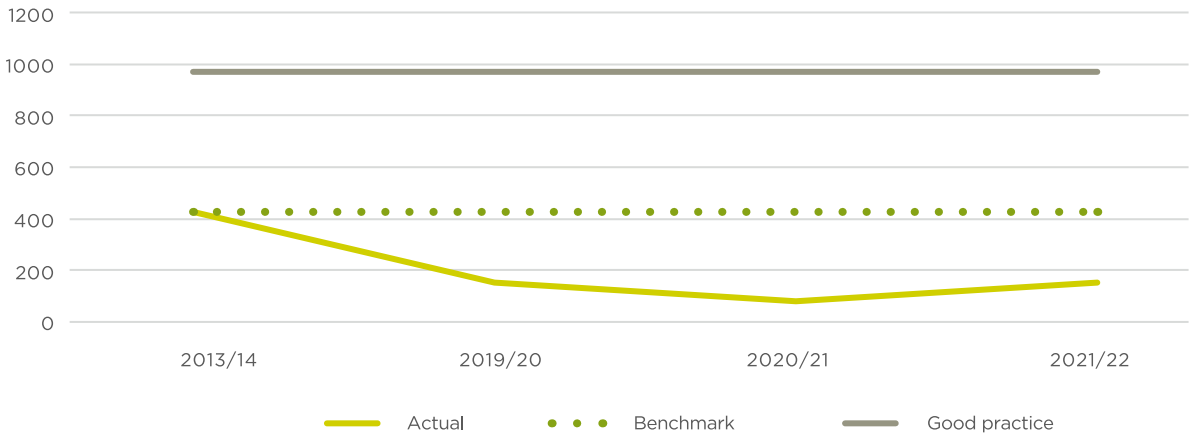


Table 8: South West tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud†	542 (56%)	815 (84%)	891 (92%)	815 (84%)

West Midlands

Between 2013/14 and 2019/20

Tenancy fraud detections:

69% ↓

Cost to public purse:

£30m

(or 263 new homes) in 2019/20 alone

Detection deficit:

84%

of tenancy frauds go undetected

Cost to public purse:

£70m

(or 614 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

230% ↑

Homelessness today

Families in temporary accommodation:

6,000

Families on the housing waiting list:

104,000

Tenancy frauds in this region:

14,600

The Covid effect

Curiously, the pandemic seems to have had no effect on the (very low) level of tenancy fraud detections, with numbers remaining constant in 2019/20 and 2020/21, before doubling in 2021/22.

Chart 9: West Midlands tenancy fraud detections

West Midlands

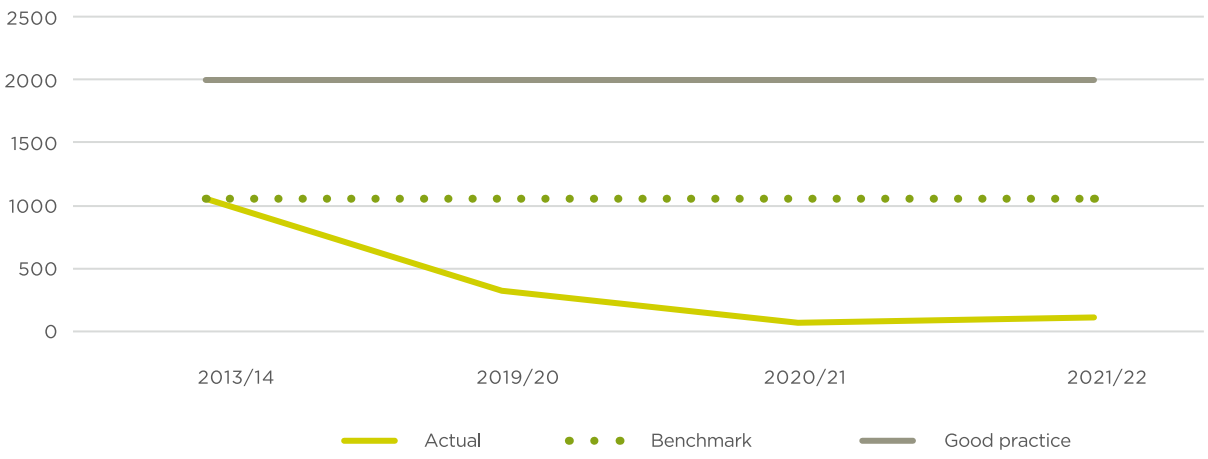


Table 9: West Midlands tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud[†]	947 (47%)	1,673 (84%)	1,928 (96%)	1,887 (94%)

Yorkshire and Humber

Between 2013/14 and 2019/20

Tenancy fraud detections:

3% ↓

Yorkshire and Humber was the only region to increase total detections.

Cost to public purse:

£300,000

(or 2 new homes) in 2019/20 alone.

Detection deficit:

49%

of tenancy frauds go undetected

Cost to public purse:

£11m

(or 96 new homes) in 2019/20 alone

Homeless families in temporary accommodation between 2013/14 and 2019/20:

30% ↑

Homelessness today

Families in temporary accommodation:

2,000

Families on the housing waiting list:

159,000

Tenancy frauds in this region:

12,900

The Covid effect

The pandemic reduced tenancy fraud detection levels by 44% in 2020/21. An increase in activity the following year more than compensated for the reduction, leaving detection levels very slightly (3%) above the pre-Covid level.

Chart 10: Yorkshire and Humber tenancy frauds detected

Yorkshire and Humber

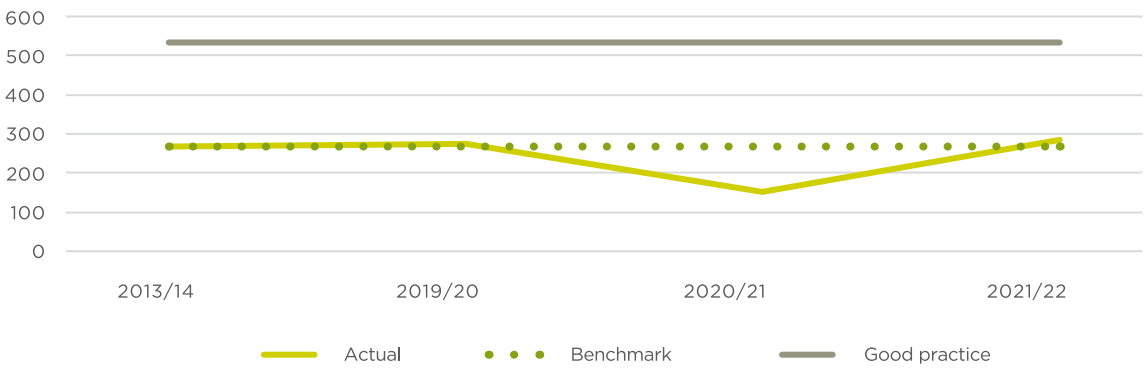


Table 10: Yorkshire and Humber tenancy fraud detection deficit

	2013/14	2019/20	2020/21	2021/22
Undetected tenancy fraud[†]	267 (50%)	260 (49%)	382 (71%)	252 (47%)

Appendix ii

METHODOLOGY AND UNDERLYING ASSUMPTIONS

To make a project like this possible it was necessary to make a number of important performance assumptions, as well as to define some key ratios. When considering our findings, it is important to keep these in mind:

- **2013/14 is our baseline year because that was the last year for which we have complete local authority data (from the Audit Commission's final Protecting the Public Purse report).**
- **Between 2014/15 and the start of the pandemic, most social housing providers should have been able to perform at least as well as in 2013/14.**
- **A housing association should be at least as effective at detecting tenancy fraud as a local authority of equivalent size in the same region.**
- **Our 'good practice' number assumes that any provider adopting good practice should be able to at least match the relative performance (adjusted for size) of the best (top 20%) local authorities in the same region.**
- **The 'detection deficit' is the difference between our calculation of 'actual' current detection rates and the 'good practice' detection rates achieved by the best providers in a given region.**
- **'Cost to the public purse' is based on research showing that the average cost of a tenancy fraud in England is £42,000 per property.[16]**
- **'Equivalent cost' is based on the estimated average cost of building a unit of social housing in England. In reality this figure varies from region to region.[17]**
- **Tenancy fraud detections in 2020/21 and 2021/22 were seriously affected by Covid lockdown restrictions. 'Detection gap' indicators for those years have been calculated and are included in the report, but we acknowledge that a 'good practice' response was not possible at that time.**
- **The data in the charts and tables refer to all social housing providers – local authorities and housing associations combined.**
- **Right-to-buy fraud has been omitted.**
- **The data available to us relates solely to England. No equivalent core data has been published for Scotland, Wales or Northern Ireland. Nonetheless, we are optimistic that the methodology could be adapted to shed light on the similar problems experienced in other parts of the UK.**
- **We have included information on the number of homeless families in temporary accommodation and on housing waiting lists to make sure that the real victims of tenancy fraud are also visible in the report.**

Further information on our methodology (including data sources used) is available from the Fraud Advisory Panel and Tenancy Fraud Forum websites. We hope others will seek to replicate our approach.

End notes

1 Shelter England (2023). The Social Housing Deficit https://england.shelter.org.uk/support_us/campaigns/social_housing_deficit

2 Audit Commission. Protecting the Public Purse 2012, https://www.bl.uk/catalogues-and-collections

3 Based on methodology in Bryce, A (2012). The Nature and Extent of Tenancy Fraud (MSc dissertation submission, unpublished).

4 Audit Commission. Protecting the Public Purse reports 2009- 2014, https://www.bl.uk/catalogues-and-collections

5 Audit Commission. Protecting the Public Purse 2014, https://www.bl.uk/catalogues-and-collections

6 Bryce, A (2012). The Nature and Extent of Tenancy Fraud (MSc dissertation submission, unpublished).

7 Audit Commission, Protecting the Public Purse 2013 and 2014, https://www.bl.uk/catalogues-and-collections

8 The publication of the 'Protecting the Public Purse' annual reports ceased with the abolition of the Audit Commission in 2015.

9 Audit Commission. Protecting the Public Purse 2014, https://www.bl.uk/catalogues-and-collections

10 Ibid.

11 Regulator of Social Housing, Governance and Financial Viability Standard and Code of Practice, https://www.gov.uk/government/organisations/regulator-of-social-housing

12 Audit Commission. Protecting the Public Purse 2011, https://www.bl.uk/catalogues-and-collections

13 Hidden in plain sight – domestic corruption and the integrity deficit, Fraud Advisory Panel 2019. https://www.fraudadvisorypanel.org/wp-content/uploads/2019/07/Hidden-in-plain-sight-Jul19-WEB.pdf

14 Running on Empty – how the pandemic revealed a wasted decade, Fraud Advisory Panel 2022. https://www.fraudadvisorypanel.org/wp-content/uploads/2022/06/Running-on-Empty-WEB-July2022.pdf

15 See Tenancy Fraud Forum website https://www.tenancyfraudforum.org.uk/

16 Tenancy Fraud Forum & Fraud Advisory Panel. Calculating losses from housing tenancy fraud, https://preventcharityfraud.org.uk/how-much-does-tenancy-fraud-cost-us-all-and-what-will-drive-all-social-housing-providers-to-play-their-part-in-the-fight-against-such-fraud/

17 https://www.bbc.co.uk/news/uk-england-london-56222957

† The 'detection gap' is the difference between our estimates for the 'actual' number of reported detections and what should have been possible had 'good practice' procedures been followed.

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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 through 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.

For more information:
tenancyfraudforum.org.uk

TFF
Tenancy Fraud Forum

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 and response. We do this through education, advice and research.

Our members come from a wide range of professions and sectors and are united by their determination to counter fraud.

We were founded in 1998 by ICAEW which continues to support our work.

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