Infosheet | Tenancy Fraud. Lessons From Recent Cases

Most tenancies progress smoothly, with genuine tenants and transparent paperwork proving to be a very positive experience for both landlords and agents. But, across the Private Rental Sector, professional fraudsters are using increasingly advanced methods to obtain tenancies they should never have secured.

From forged identity documents and false credit histories to entire tenancies created under stolen names, the financial and reputational impact can be severe if a fraudulent tenant makes their way through the process.

At The Lettings Hub, we believe that quality tenant verification is more than a tick-box exercise. It's the perfect blend of people, process, data, and technology - and we stand behind that with our No-Fraud Guarantee with our Elite Referencing and Know Your Customer products.

Our legal partners, Woodstock Legal Services, have shared some real-life cases from the Private Rental Sector, showing how things can go very wrong when proper, in-depth tenant referencing hasn't been carried out!

Case Study 1 | Identity Theft And A False Tenancy Agreement

A private landlord let a property to a tenant who paid the first month's rent, then defaulted. Possession proceedings followed, resulting in a money judgment for arrears and damages.

But when enforcement began, the landlord was contacted by a firm of solicitors - representing the real person whose name appeared on the tenancy. They provided verified ID showing that their client was a genuine homeowner who had never rented the property and had been the victim of identity theft.

The fraud only came to light when the innocent party discovered a County Court Judgment (CCJ) against them during a mortgage application. The fraudster had used stolen ID documents to rent the property, occupy it briefly, and disappear without trace.

This case is a reminder that identity fraud often goes unnoticed until it causes serious damage - to landlords left out of pocket, and to innocent victims whose personal details have been exploited.



Case Study 2 | Fraud Claims Used As A Defence

WOODSTOCK LEGAL SERVICES

In another matter, a landlord faced £40,000 in arrears before the case went to court. The tenant appeared at the hearing, attempting to defend the claim, but the court granted a possession order and money judgment in the landlord's favour.

However, once bailiff enforcement was initiated, the tenant filed an application alleging fraud - claiming that he had never signed the tenancy agreement at all. This was despite having attended the original hearing and represented himself as the tenant throughout. This kind of counter-claim, where tenants allege fraud as a last-minute tactic to delay eviction or enforcement, is becoming increasingly common. It underlines the importance of understanding that the tenant is who they say they are from the start of the process, and keeping a full audit trail. This includes documents the tenant has received and signed, plus all communications with the tenant. When documentation and digital ID validation are properly in place, these claims can be swiftly disproved.

A Closer Look At Tenancy Fraud Tactics

Fraud in the lettings industry is no longer limited to fake references and forged payslips. The methods have become more complex, often combining multiple tactics across different platforms. Some of the most common schemes now include:

1. **FORGED OR ALTERED ID DOCUMENTS**

   Fraudsters use increasingly sophisticated forgeries – sometimes using real biometric data cloned from genuine passports. Without digital ID verification (IDVT), these can be difficult to detect.

2. **FALSE EMPLOYMENT RECORDS AND PAYSLIPS**

   Fake employers or online "verification services" can provide convincing documents that mask inconsistent income or unemployment.

3. **SUBLETTING AND DUPLICATION**

   Tenants rent multiple properties at once, or illegally sublet to others, using genuine-looking tenancy agreements and false managing agent details.

4. **IDENTITY THEFT**

   Criminals use personal data from social media, online scams, or stolen post to impersonate real individuals.

5. **FRAUDULENT DEFENCES**

   As in the second case study, tenants may later allege that their tenancy agreement was falsified to delay enforcement or dispute liability.

Fraudulent tactics are constantly evolving, seeking to exploit any weakness in the verification process.

What The Case Studies Show



Together, these examples highlight an important fact: tenancy fraud is opportunistic. Wherever processes rely too heavily on trust, manual checks, or unverified paperwork, the chances of fraud are increased.

In the first Case Study, a convincing set of stolen documents was all it took for an imposter to enter a tenancy agreement.

In the second Case Study, the absence of clear identity audit trails gave a tenant the opportunity to weaponise fraud claims as a delaying tactic.

The message for your landlords is clear: every single tenancy should be subject to the same level of scrutiny, regardless of how "genuine" the applicant appears. Fraud rarely looks suspicious at first glance, and that's why a robust, tech-enabled process is essential.

Reducing Fraud Risk

At The Lettings Hub, we combine advanced technology with human expertise to identify and stop fraud before it reaches the tenancy stage. With over 241 data points checked, our tenant verification includes:

- Know Your Customer (KYC) checks with biometric ID verification via approved IDSPs.
- Open Banking integration to confirm account ownership, income consistency, and financial behaviour.
- Fraud pattern detection across applications using data analytics.
- Comprehensive audit trails that protect landlords legally and evidentially.
- AI document validation checks that confirm authenticity beyond surface appearances.

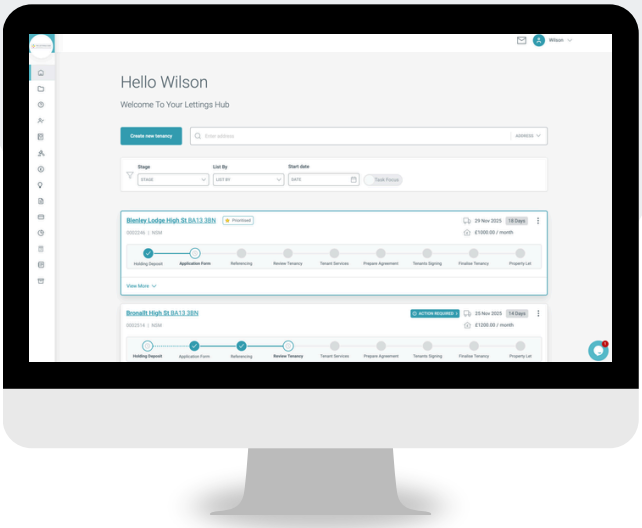
We have designed a proactive approach; not only to confirm who a tenant is, but also to detect inconsistencies and prevent potential fraud. With the Lettings Hub, you have peace of mind that each tenant has been verified thoroughly and transparently, reducing exposure to loss and dispute.

As tenancy fraud becomes more sophisticated, we're committed to helping you stay one step ahead.

BOX From THE LETTINGS HUB

74%

of agents outsource their referencing to us at The Lettings Hub for a simple, stress-free and compliant process.



Our Top Tip... Trust Your Gut!

Fraud thrives in a rush; such as when landlords or agents feel pressured to let a property quickly. Referencing should never be skipped, or seen as a tick box exercise. Instead, landlords and agents need to:

- Slow down when something doesn't feel right.
- Insist on completing the referencing process, no matter what's being offered upfront.
- Use every available tool - from ID validation to document checks and employer verification.
- And above all, stay alert and trust yourself. You are the expert!

BOX FROM THE LETTINGS HUB the home for lettings

At The Lettings Hub, we're always here to support you through the ever-changing lettings landscape. With the Renters' Rights Act introducing new regulations, staying updated is crucial. That's why we offer a variety of resources to help you navigate these changes smoothly. From webinars and blogs to tailored guides, our platform is packed with expert insights. Be sure to follow us on LinkedIn and bookmark our Renters' Rights Hub for the latest updates, tips, and advice.

