

THE TENANT WHO STOLE THE HOUSE

Buy to Let is one of the most popular forms of investment but can also be fraught with danger. Recent research by Credit Expert shows that nearly half of all identity theft victims who knew their impostor were landlords. Indeed an alarming 40% of identity fraud is conducted by a tenant posing as the landlord.

Interestingly, some of the London Boroughs including Bexleyheath, Woolwich, Stratford and Walthamstow have the highest incidence of identity fraud however some areas you perhaps would not expect such as Altrincham in Cheshire also feature in the top ten hotspots for this activity.

Recorded cases show criminal tenants using their landlords' name and the rented property address to apply for loans, credit cards and in some cases to actually sell the property they are supposed to be renting.

The Kiddell case was brought to light when a landlord, driving by his property, noticed a for sale sign in the garden. By that stage the tenant had managed to sell the property by posing as the owner and had made off with the £90,000 proceeds of the house sale. He was subsequently jailed for 6 years after admitting nine offences including fraud and theft.

Properties most likely to be targeted are those with no outstanding loans or borrowing against them. In most instances the fraudster will aim to acquire the title to the property either by using a forged transfer document or by impersonating the registered owner. Indeed recent figures from the Land Registry show that 52 claims were paid for property fraud and forgery in a 12 month period, of which 22 involved an absent owner so it is clear that as a landlord you are particularly vulnerable.

One such case was the Metrick case where the mortgage advisor turned con artist searched for properties which were unencumbered in the Leeds area. She then rented properties using fake documents and then attempted to raise mortgages on the properties for home improvements

and the like by pretending to be the real owner. She managed to secure £500,000 but would have realized £2.4M if the scam hadn't been uncovered. One scam saw her take on the identity of a 67 year old woman who owned a detached bungalow in Harrogate. For this scam she managed to dupe the lender into giving her a £120,000 home improvement loan.

Another case involved a property in Brighton which the landlord instructed a managing agent to look after. The landlord had no mortgage on the property but when the agent undertook one of their routine inspections they found a repossession notice from lender GMAC affixed to the door. The tenant had impersonated the landlord and managed to secure over £200,000 from the lender. Fortunately when the crime came to light GMAC returned the property to the rightful owner but the whole episode would have doubtless caused some sleepless nights.

So as a landlord what steps can you take to minimize your risk of falling foul of these unsavoury schemes?

Initially landlords should ensure that they have an appropriate address for correspondence lodged at the Land Registry. Furthermore the landlord can register a restriction at the Land Registry. There is no charge for this service and therefore it is well worth doing.

If you previously lived at the property you are now renting then use the Royal Mails redirection service for any post. Don't allow your tenant access to post addressed to you.

Always thoroughly reference your tenants and ensure that you take proper

photographic ID of any tenants before you grant them a tenancy. Register with the Mailing Preference Service to get yourself removed from mailing databases and therefore ensure that credit card offers and the like are not sent to you at your former address.

Regularly check your credit score. Some of the providers will send you an alert if anything happens on your credit file such as a search by a lender assessing a new application.

Consider registering the property address with CIFAS. It means that any subsequent applications for credit or similar from someone purporting to live at that address will be rigorously checked.

Extra precautions such as taking a car registration number, next of kind addresses, three months bank statement and the like may help you catch them out or certainly make it easier to track them down at a later date.

There are over 100,000 cases of identity fraud in the UK each year. As we have seen over 40% of those are against the landlord. By making some changes to your processes and being aware of the risks may mean that you can avoid this enormous headache.

Being a landlord is a big responsibility and even renting just one property makes you vulnerable to identity fraud. For this reason you must ensure you do all you can to protect both yourself and your investment.

Graham Kinnear can provide YPN readers with advice on all landlord and tenant matters and can be contacted on 0844 414 8659 or via email graham@grahamkinnear.com.



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ABOUT THE AUTHOR

Following a surveying degree which I completed in 1995, I worked for a couple of the corporate estate agency chains before starting buying to let in 1998.

I then started my own estate agency/lettings business in 2003. This turned into a four branch multi award winning business. I am also one of the founder directors of Landlord Assist which is one of the nations leading landlord advisory services. I also provide consultancy services to landlords and property owners. I am just about to release my first book entitled "The Property Triangle".

