



Interim Counter Fraud Report

2025-26

1. Internal Fraud

Internal fraud includes a range of case types such as staff conduct, financial and procedural irregularities. Internal fraud typically has the fewest referrals in any period but is generally more complex in nature.

A summary of the main types of allegations received are as follows:

- Breach of financial regulations
- Misuse of IT
- Polygamous employment

The volume and type of referrals is consistent with recent years, and the trend suggests the service profile and engagement across the Council continues to be effective. There were **16** cases concluded during this period. In **1** of these instances a degree of fraud and/or irregularity was identified, broadly relating to;

- **External offences/breaches and/or conduct by staff (x1)**
 - allegation of recruitment irregularities

Whistleblowing

CF&I have received **6** referrals categorised as whistleblowing. **3** cases were determined to be non-CF&I matters and categorised as such based on the nature of the allegations. However, CF&I continues to maintain oversight of these cases and provides support to the relevant service areas conducting the investigations.

Due to the confidential nature of these types of referrals, it is not appropriate to provide specific details of the allegations or subsequent investigations in this report. **1** referral categorised as whistleblower (anonymous) has been closed following completion of the investigation.

Other Internal

9 non-whistleblowing internal cases are currently live and have been opened since 1st April 2025. These relate to:

- 1x Officer claims and allowances
- 1x Officer Corruption (Housing)
- 2x Officer working and claiming (from NFI reports)
- 4x Officer breach financial regulations
- 1x Bribery and Corruption

Table A - Internal Fraud	2025/26 (1 April to 31 October)	2024/25	2023/24	2022/23
• New Referrals	32	25	27	20
• Closed Cases	16	23	20	22
• Fraud/Irregularity identified*	1	5	10	4
* Where closed cases do not identify fraud / irregularity, these are recorded as NFA (No Further Action)				

2. Tenancy and Housing Fraud

The recovery of social housing properties by the team has a positive impact upon the temporary accommodation budget and remains a high priority fraud risk for the Council.

The total number of fraudulent housing cases concluded in this period was **9**. *The total notional value of these cases (applying the value of £66k per property recovered or housing application stopped) is £594,000.*

In **4** cases, investigations established that the applicants seeking succession of tenancy had not met the residency requirement for the qualifying period. As a result, Housing successfully recovered the properties.

In addition, the team has completed **3** tenancy verifications to verify household occupation and mitigate fraudulent Succession and Right to Buy applications. There are currently **33** live housing investigations – of these; **2** cases are involved with legal proceedings to recover the property, and a further case has been concluded by the team with a report issued to HM that recommends recovery action is instigated. The team works closely with the relevant teams to progress these cases.

Enhanced verifications of Right to Buy (RTB) applications

In November 2024 the maximum discount allowed to social tenants for purchasing their tenancy was reduced by the government to a maximum of £16,000. This resulted in an influx of RTB application requests prior to the November deadline. Whilst several of the applications will not progress and are merely requests for valuations the increased workload and level of enquiries, heightened the risk of fraudulent applications progressing. CF&I implemented an Enhanced Verification Process for RTB applications to be carried out by Counter Fraud Officers to enhance vetting of applicants. Prior to June 2025, **62** Enhanced Verifications were carried out with **9** cases being identified as High Risk for additional checks should application progress; and **2** identified as requiring further checks for funding source once received. Since June 2025, a further **82** Enhanced Verifications were carried out, with **6** cases being identified as High Risk for additional checks should application progress; and **1** identified as requiring further checks for funding source once received.

Succession applications

Following a review of our priorities we redirected resources to high-risk areas where we can strengthen fraud prevention and ensure consistency - one such area being tenancy successions applications. Working in partnership with Housing Services, we developed a process for CF&I to verify all succession applications submitted to Housing Services as of 1st October 2025.

Table B – Tenancy and Housing Fraud	2025/26 (1 April to 31 October)	2024/25	2023/24	2022/23
New cases	48	45	129	174
Closed cases	15	73	161	155
Fraud/Irregularity identified*	9	16	16	20
* Notional value of recovered properties (including Housing and Right to Buy applications stopped, property size reduction and prevention of split tenancy) used for reporting purposes is £66,000.				

3. External Fraud

External fraud includes all external fraud / irregularity that affects the Council. This will include (but is not limited to) fraud cases involving, Blue Badge, Direct Payments, Council Tax, Business Rates, Insurance, Finance, Concessionary Travel and Grant Applications.

There have been **23** cases closed in this period.

Referrals mainly relate to benefits, support, discounts, allowances, grants, theft of client funds and other external allegations.

In **1** case, an allegation was received via an online referral concerning a resident's eligibility for a Single Person's Discount (SPD). The investigation revealed that the resident had failed to report a change in circumstances—specifically, a partner moving into the property approximately nine years ago. Despite this, the resident continued to claim the discount. As a result of the investigation, a notional saving of £3,758.20 has been identified.

Table C - External Fraud	2025/26 (1 April to 31 October)	2024/25	2023/24	2022/23
New Referrals	28	204	300	224
Closed Cases	23	234	322	197
Fraud/Irregularity identified	10	91	213	94
* Where closed cases do not identify fraud / irregularity, these are recorded as NFA (No Further Action)				

Concessionary Travel – Freedom Pass

Investigations revealed that a number of deceased individuals were still receiving concessions or benefits from the Council, such as:

- **Blue Badge**
- **Council Tax Reduction**
- **Housing Benefit**

As part of a proactive review, investigators examined whether any of these individuals still had access to concessionary travel, specifically the Older Person's Freedom Pass.

The Older Person's Freedom Pass allows eligible London residents to travel for free on most public transport in London and on local buses across England. While London Councils manage the issuing and administration of the pass, the cost is funded by the local Council, which has calculated the value of each pass at £16,320.

Investigators identified 70 active Freedom Passes belonging to deceased individuals. These cases were referred to the Independent Travel Team (ITT) for cancellation, resulting in a notional saving of £1,142,400.

4. National Fraud Initiative (NFI) and other proactive activity

The Council is required to submit data every two years as part of the Cabinet Office mandated National Fraud Initiative (NFI). For the Council datasets such as payroll, pensions, creditor/payments, housing benefit and council tax are provided. The data collected from Councils; NHS and others is then analysed to identify discrepancies and potential fraud. The exercise also uses data from sources such as Operation Amberhill, HMRC, DWP and GRO.

The reports from NFI are released and shared to Councils for action. The Council received **40** reports and **540** matches for review in several reports from the 2024/2025 exercise. Many of these matches require administrative review only and will not identify fraud, error, or savings, but it is essential that all are actioned and reported to avoid any fraud being missed and ensure that the Councils data is amended/updated.

CF&I have reviewed a number of the high priority reports, from these **14** matches have been identified as requiring further investigation.

2 cases have identified individuals with undeclared income whilst receiving CTR resulting in savings of £8,074.51.

A case identified dual working which was investigated and is pending management action.

The mandatory data submissions for the 2024 exercise is underway. The team are reviewing the majority of the matching reports, either directly or in conjunction with relevant services, and aim to complete all reviews by end of Q4 2025-26.

Proactive Work:

- a) ***Housing Tenancy to Waiting List*** – To assess the integrity and fairness of housing tenancy allocations by reviewing waiting list durations and identifying any anomalies that may indicate process weaknesses or potential fraud.
- b) ***Car Park Review*** – To ensure fair usage by staff members and to detect any anomalies, misuse, or indicators of potential fraudulent activity in relation to car park usage.
- c) ***Continued use of the NFI London FraudHub*** - The Council joined the NFI London FraudHub in 2022-23, which was for an initial period of two years. It is modelled on the existing NFI platform, and the majority of London councils have joined. The hub allows for more real-time and cross boundary data matching, in addition to bespoke internal data matching. A number of different datasets including Pensions, Council Tax and Blue Badge are matched against DDRI (deceased data) and other local authority's data to highlight potential discrepancies or areas of concern. A pilot to include Payroll to Agency data on a regular basis was undertaken and will now be a regular occurrence.

- d) **FraudHub AppCheck** - AppCheck is an additional resource within the FraudHub to verify any data included on applications submitted against other local authorities' data. 4 training sessions were carried out by CF&I staff to Housing Needs and Housing Allocations staff to introduce AppCheck as a potential resource to assist verification of applications.

Pre-employment Vetting

The Council has full membership access to the *Insider Threat Database* (ITD), formerly the Enhanced Internal Fraud Database, that has been developed and maintained by CIFAS (a not-for-profit UK fraud prevention service). The ITD is a repository of fraud risk information that can be used to reduce exposure to fraud and other irregular conduct and inform decisions according to risk appetite. This system is focussed on employee fraud and recruitment controls. The system enables the Council to have additional assurance around agency and permanent recruitment and provide the team with additional resource when conducting internal investigations. The team manages the new vetting protocols for agency staff, whilst Recruitment manages it as part of existing permanent recruitment onboarding. A summary of activity to 31st October 2025 is summarised below.

	Total searches	Positive matches	Employment status
Agency Staff	703	17	15 declined / 2 employed
HR Recruitment	830	18	5 declined / 13 employed