# Hackney uses HMRC data to recover seven council homes in wider tenancy fraud push



According to the original report, Hackney Council has seized seven council homes after an investigation found the tenants who were registered at those addresses already owned other properties and, in some cases, had been subletting their social homes for financial gain. The seven recovered properties were valued at about £548,100 and will be re‑allocated to families on the borough’s waiting list, the council said. The action formed part of a data‑matching pilot carried out with the Cabinet Office’s Public Sector Fraud Authority which cross‑checked local tenancy records with HMRC data to flag potential anomalies.

The pilot identified 27 potential cases in the borough, of which investigators say 13 remain under active enquiry and a further seven homes are in the process of being recovered and prepared for re‑letting. Hackney’s review found that the tenants of the seven properties in question had owned other dwellings for more than two years while remaining registered at a council address. The council describes illegal subletting and failure to declare ownership as breaches of social tenancy rules that deny genuinely needy families access to scarce affordable homes.

Caroline Woodley, Mayor of Hackney, said tackling tenancy fraud was essential so council housing can be allocated to those most in need; her comments were reported in the press. The council has also warned — on its own website — that subletting a council home is a criminal offence and can lead to prosecution, and it urges residents to report suspected misuse. Cabinet Office Minister Georgia Gould was reported as saying the pilot demonstrates how effective cross‑government data matching can be in “cracking down on those who try to manipulate the system for their own gain.”

Hackney’s recent recoveries form part of a much larger, long‑running anti‑fraud drive in the borough. The council reports it has now recovered its one‑thousandth unlawfully used council home through a combination of tenancy audits, interventions and legal work, and internal figures show tens of thousands of pounds have been saved through such activity. Local reporting has put the borough’s financial recoveries for tenancy fraud at close to £911,525 over a recent part‑year period, with multiple tenancies returned and a small number of prosecutions pursued — although council officers have warned resources for prosecutions are limited.

Nationally, the use of data matching to detect tenancy anomalies is being scaled up. The National Fraud Initiative’s most recent report records that cross‑sector data matching helped identify scores of tenancies for further investigation and resulted in 103 properties being recovered for re‑allocation in the 2022–24 cycle, while emphasising that matches are indicators requiring local follow‑up and legal verification before action is taken. The Public Sector Fraud Authority’s 2023–24 annual report highlights the expansion of analytics tools and pilots that combine HMRC and other datasets, and reports hundreds of millions of pounds in audited counter‑fraud benefits, reflecting a push to modernise detection and recovery capabilities.

That push includes a recent pilot to strengthen enforcement where individual departments have struggled to follow through: the Cabinet Office has contracted external professional services to support an Enforcement Unit pilot that offers asset tracing, investigation and legal action to accelerate recoveries. The pilot is intended to complement existing analytics work, signalling a move to combine technical detection with more robust follow‑through when cases are identified.

Industry groups and research bodies warn the scale of tenancy misuse remains large and that detection falls short of the problem. Campaigners estimate tens of thousands of social homes in London alone may be misused through illegal subletting or similar tenancy frauds, and have put an annual taxpayer cost in the region of hundreds of millions to a billion pounds when councils must provide temporary accommodation while fraud persists. Those figures underline why councils, Whitehall bodies and partners are pressing for better data sharing, stronger enforcement and more coordinated recovery work.

The cases in Hackney illustrate both the potential of data‑driven detection and the practical limits that follow‑up requires: matches produced by national systems point investigators to potential misuse, but local housing teams must undertake evidence, legal and tenancy processes to evict, recover and re‑let properties. Council officers and national pilots alike say a combined approach — analytics, local housing expertise, legal capacity and, where necessary, external enforcement support — is the most realistic route to ensuring social homes are used by those they were intended to serve.

### 📌 Reference Map:

## Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/news/article-14995803/Council-houses-fraudsters-probe-OWNED-properties.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.gov.uk/government/publications/public-sector-fraud-authority-annual-report-2023-2024/public-sector-fraud-authority-annual-report-2023-2024-html)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/news/article-14995803/Council-houses-fraudsters-probe-OWNED-properties.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 3 – [[1]](https://www.dailymail.co.uk/news/article-14995803/Council-houses-fraudsters-probe-OWNED-properties.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://news.hackney.gov.uk/news/one-thousandth-fraudulently-used-hackney-council-home-recovered)
* Paragraph 4 – [[2]](https://news.hackney.gov.uk/news/one-thousandth-fraudulently-used-hackney-council-home-recovered), [[3]](https://www.hackneycitizen.co.uk/2024/02/02/hackney-council-claws-back-1m-fraud-investigations/)
* Paragraph 5 – [[4]](https://www.gov.uk/government/publications/national-fraud-initiative-reports/national-fraud-initiative-report-2022-2024-html), [[5]](https://www.gov.uk/government/publications/public-sector-fraud-authority-annual-report-2023-2024/public-sector-fraud-authority-annual-report-2023-2024-html)
* Paragraph 6 – [[6]](https://www.civilserviceworld.com/professions/article/cabinet-office-signs-up-deloitte-to-support-counterfraud-enforcement-unit-pilot), [[7]](https://www.standard.co.uk/news/london/social-housing-council-homes-fraud-taxpayers-cost-b1216532.html)
* Paragraph 7 – [[4]](https://www.gov.uk/government/publications/national-fraud-initiative-reports/national-fraud-initiative-report-2022-2024-html), [[3]](https://www.hackneycitizen.co.uk/2024/02/02/hackney-council-claws-back-1m-fraud-investigations/), [[6]](https://www.civilserviceworld.com/professions/article/cabinet-office-signs-up-deloitte-to-support-counterfraud-enforcement-unit-pilot)

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## Bibliography

1. <https://www.dailymail.co.uk/news/article-14995803/Council-houses-fraudsters-probe-OWNED-properties.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://news.hackney.gov.uk/news/one-thousandth-fraudulently-used-hackney-council-home-recovered> - Hackney Council reports it has recovered its one thousandth council home that had been illegally sublet, abandoned or obtained through fraud. The short article explains the council’s anti‑fraud team works with housing and legal colleagues and other social landlords to investigate complex tenancy abuses, including tenants who owned other properties, provided false information or misused Right to Buy. It warns that subletting is a criminal offence and may lead to prosecution. The council estimates each tenancy fraud case costs social landlords around £42,000 and urges residents to report suspected misuse by emailing housing.fraud@hackney.gov.uk. Recovered homes are reallocated to needy families.
3. <https://www.hackneycitizen.co.uk/2024/02/02/hackney-council-claws-back-1m-fraud-investigations/> - The Hackney Citizen reports Hackney Council saved approximately £911,525 following anti‑fraud investigations between April and December, mainly through tenancy fraud work. Around £761,000 was recouped from tenancy fraud, with £141,255 recovered from ‘no recourse to public funds’ cases and smaller sums from Blue Badge and parking misuse. The article states 29 tenancies were recovered during the financial year to date and notes eight prosecutions resulted from investigations. It quotes council officers describing limited resources for prosecutions and outlines outcomes including cancelled services and penalties, emphasising the borough’s ongoing multi‑agency efforts to detect and prevent misuse of public resources and recovery.
4. <https://www.gov.uk/government/publications/national-fraud-initiative-reports/national-fraud-initiative-report-2022-2024-html> - The National Fraud Initiative report 2022–2024 published on GOV.UK explains how data matching across more than 1,100 public and private sector datasets helps detect fraud, error and overpayments. For 2022–24 it reports outcomes including 103 housing tenancy properties recovered that can be reallocated to genuine claimants, a marked increase from previous years aided by tools such as FraudHub and AppCheck. The report describes pilots combining HMRC and other datasets to improve tenancy detection, the use of dynamic tenant views, and emphasises that matches indicate potential anomalies requiring further investigation before action is taken by participating authorities to recover public assets.
5. <https://www.gov.uk/government/publications/public-sector-fraud-authority-annual-report-2023-2024/public-sector-fraud-authority-annual-report-2023-2024-html> - The Public Sector Fraud Authority annual report 2023–24 outlines PSFA’s work modernising counter‑fraud capabilities across government. It records delivering £373 million in audited counter‑fraud benefits, the establishment of the Enforcement Unit pilot to support enforcement and recovery, rollout of the Single Network Analytics Platform and expanded use of NFI services. The report highlights pilots using HMRC and other datasets, development of professional standards and increased training for fraud investigators, and stresses collaborative approaches with local authorities and private partners to find, prevent and recover fraud against public services, improving targeting of limited public resources for those most in need.
6. <https://www.civilserviceworld.com/professions/article/cabinet-office-signs-up-deloitte-to-support-counterfraud-enforcement-unit-pilot> - Civil Service World reports the Cabinet Office contracted Deloitte to provide professional services to support a pilot Enforcement Unit within the Public Sector Fraud Authority. The Enforcement Unit aims to bolster enforcement and recovery activity where individual departments have struggled, providing asset tracing, investigations and legal action. The article notes the one‑year contract from March 2024, describes how private sector expertise is being used to accelerate capability, and quotes PSFA aims to develop targeted counter‑fraud enforcement for departments. It explains the pilot complements existing PSFA services including data analytics and the National Fraud Initiative, to increase recoveries and drive deterrence.
7. <https://www.standard.co.uk/news/london/social-housing-council-homes-fraud-taxpayers-cost-b1216532.html> - The Evening Standard covers research by the Tenancy Fraud Forum estimating around 50,000 social housing properties in London are being misused through forms of tenancy fraud, such as illegal subletting. It warns taxpayers may lose about £1 billion a year as councils provide temporary housing while fraud continues. The piece highlights falling detection rates, factors including reduced local resources, and calls for stronger enforcement and platform cooperation. It notes Airbnb’s statement and references pilots run with the Public Sector Fraud Authority to help councils identify illegally let social housing, urging improved data sharing and coordinated recovery and prevention.