



## HOW THE PRIVATE RENTED SECTOR IS BEING USED FOR CRIMINAL PURPOSES

SAFER RENTING

ROZ SPENCER

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## THE PRIVATE RENTED SECTOR AS A CRIME-SCENE

- Maximise return on “investment” – maximise money in and minimise money out
- Supply and demand imbalance leads to £rents rising but when the ceiling of affordability is reached, space, condition and amenity standards can fall – driving the money printing machine into the “more for less” race to the bottom for tenants, race to the top for landlords
- New burgeoning breed of Agents with no ‘skin’ in the business – no incentive to look after the asset (not theirs), make their money on reletting frequently, and raising rent levels
- Law inconsistent about who is liable for housing offences – the agent or the owner
- Constructing relationships of owner/agent creates opportunities to evade liabilities in criminal law
- “Flipping” property ownership with multiple personal and corporate identities enables evasion of liability for offences and TAX – industrial scale fraud HMRC and NCA are not on top of

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## HOW IS IT SO EASY FOR CRIMINALS TO PRINT MONEY THROUGH THE PRIVATE RENTED SECTOR 1

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- The asset owner is not always liable, for the smart, penalties not enforceable
- Private sector housing and tenancy rights law insanely complex and therefore poorly understood
- Impact of austerity on enforcement resources

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## HOW IS IT SO EASY FOR CRIMINALS TO PRINT MONEY THROUGH THE PRIVATE RENTED SECTOR 2

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- Migrants looking for economic opportunities – the PRS in Britain a staging post, willing to tolerate very poor conditions
- Benefit market as a niche – paying for poor quality that ‘self-payers’ would not tolerate
- Trafficking and modern slavery – how well trained are we to detect it?

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## IMPACT OF AUSTERITY ON ENFORCEMENT RESOURCES

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- Access to civil redress for tenants - LASPO – erosion of legal aid since 2010 – the aid and the housing solicitors shrinking to extinction
- RLA survey of local authorities using Housing and Planning Act FPNs in 2017-18 – only 11% of authorities fined any private landlords
- MoJ court closures – collapse of customer service in court offices
- ? Police do not warn, arrest or prosecute landlords for offending by illegal eviction under Prevention from Eviction Act 1975

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## OTHER FACTORS

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- Complexity and poor understanding of the law by tenants (and some landlords)
- Precarity from security of tenure and rent control so weak, incentive to pursue rights is very low
- Enforcement brings with it collateral damage – illegal eviction to evade evidence for prosecution

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## SAFER RENTING AND LOCAL AUTHORITY PARTNERSHIP

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- Safer Renting an independent, para-legal, outreach tenancy rights advocacy team serving multiple (London) boroughs
- Take referrals from Licencing and Enforcement teams (and housing options) to protect tenants and seek civil redress
- Multi-borough and multi-agency working – operational and intelligence-led

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## SAFER RENTING ACHIEVEMENTS

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- Much low hanging fruit – criminal ‘chancers’
- Track record on preventing illegal evictions at average £480 per case
- Over one third of our work involves attempted repossession – 70% of those are threatened or actual illegal evictions
- Some evidence that over half of evictions are triggered by enforcement action, so enforcement programmes need tenancy rights advocacy service

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## 2 CASE STUDIES

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- Organised crime – the would-be star of Panorama investigation April 2015
- An everyday tale of a criminal, bungling in the criminal justice system and how Safer Renting won £25,000 compensation for a client

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## WHAT DO WE KNOW ABOUT CRIMINAL USE OF THE PRIVATE RENTED SECTOR?

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- An exception or an everyday occurrence ? No big data!
- Criminal exploitation involves effective cover-up tactics, very vulnerable victims – human trafficking and modern day slavery
- Journeys Through the Shadow Private Rented Sector

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## WHAT WORKS

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- Shared service between boroughs – flexibility, economies of scale and shared intelligence on operations of agents cross-borough (eg “London Lockdown” model)
- Joined-up working between private rented housing enforcement and homelessness teams – both for clients **and** on landlords 'criminal behaviour
- Working with Borough Commanders on enforcing Prevention from Eviction Act
- Cultivating other sources of intelligence – (Fire Service, Utilities, Immigration Service)

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## OVER TO YOU...

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- What is your local authority / organisation doing in this area of work?
- What do you see as the biggest challenges you need to overcome?
- How do you plan to overcome these challenges?
- How do you think this work will improve service for your customers?
- What support or guidance would help you to do this?

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