

Contrived tenancies

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Contrived liability

A contrived tenancy is where a tenancy agreement or liability to pay rent has been deliberately created to take advantage of Universal Credit.

A benefit unit will be treated as not liable to pay rent if it has been determined the liability to pay rent has been contrived.

A contrived tenancy may be suspected when:

- a claimant lives in a property for a period of time without having any liability to pay rent, but gains a rent liability for that property when they need to claim Universal Credit.

Contrivance can be on the part of the claimant, landlord, or both acting together.

There must be a valid reason for believing that a liability to pay rent has been created to take advantage of Universal Credit.

Deciding if tenancy abuse exists

A decision is made as to whether a tenancy arrangement exists before considering whether or not it is contrived, although the two questions often consider the same information.

When making a decision that a liability has been created to abuse Universal Credit, all the available evidence is taken into account and documented, such as:

- Who owns the property?
- What is the claimant's relationship to their landlord?
- Was the property rented through an agent? If not, how was the claimant made aware the property was available to rent?
- Does the claimant have a written tenancy agreement? If so what date does the tenancy begin?
- Has the claimant paid a deposit and is it held with a tenancy deposit scheme?
- Does the property have smoke and carbon monoxide detectors?

- Does the claimant, or has the claimant previously ever had any financial interest in the property or was the property bought to rent to the claimant?
- Has the landlord rented out this property before?
- Would the landlord rent the property out again?
- Has the claimant claimed Universal Credit (including housing element) or Housing Benefit before for this address?
- Is the claimant up to date with rent payments?
- What action would the landlord take if the claimant did not pay any or all of the rent?
- Has the landlord issued the claimant with;
 - The Government's 'How to Rent guide'
 - Valid gas safety certificate
 - Energy performance certificate