

Business Integrity Policy

Document reference: GRPOLBA01

Version: 5

Version approved: 16/07/2025

Approved by: Group Audit and Risk Committee

Review deadline: 31/07/2028

Service area: Business Assurance

Owner: Director (Business Assurance)

Scope		Entity		Business Stream	
Customers	✓	Progress Housing Group Limited (Parent)	✓	Progress Homes	✓
Colleagues	✓	Progress Housing Association Limited (PHA)	✓	RWP	✓
Non-Executive Directors / Trustees	✓	Reside Housing Association Limited (RHA)	✓	Progress Lifeline	✓
Third parties*	✓	Key Unlocking Futures Limited (Key)	✓	Progress Living	<input type="checkbox"/>
		Concert Living Limited	✓		
*Other: Suppliers/Contractors					
Exclusions:					

Contents

Section 1: Purpose and Policy Statement	3
1. Purpose.....	3
2. Policy statement.....	3
Section 2: Policy Guidance	4
3. Direction	4
General Fraud	4
Social Housing Tenancy Fraud.....	5
Money Laundering	6
Bribery	7
Corporate Criminal Offences	7
Modern Slavery.....	8
4. Roles and responsibilities	8
The board	8
Internal Audit	9
Managers and Directors	9
Governance	10
Colleague responsibilities	10
5. Training	10
Section 3: Legal and regulatory.....	11
6. Legislation	11
7. References.....	11
8. Definitions	11
9. Associated policies and procedures.....	11
10. Equality impact assessment	12
11. Data protection	12
12. Customer Voice and influence.....	12
13. Monitoring and review	12
Section 4: Appendices.....	13
Appendix 1 – examples of fraud risks.....	13

Section 1: Purpose and Policy Statement

1. Purpose

- 1.1 The purpose of this policy is to state clearly the commitment of Progress Housing Group (the Group) to act, at all times, to the highest standards of governance, openness, accountability and probity.
- 1.2 It sets out the Group's approach to preventing, detecting, investigating and reporting on fraud, money laundering, bribery, tax evasion and modern slavery and taking action against perpetrators.

2. Policy statement

- 2.1 The Group will
 - continue to be committed to high standards of integrity and accountability and have a zero tolerance approach to incidences of fraud, bribery and corruption
 - take the appropriate action against individuals where there is a reasonable belief they have committed or attempted to commit a fraudulent or corrupt act.
 - comply with all relevant legal and regulatory requirements.
- 2.2 The Group will not
 - tolerate acts of fraud, bribery or corruption within the Group whether perpetrated by colleagues, Governance Members, customers, third party organisations or any other agency.

Section 2: Policy Guidance

3. Direction

- 3.1 Fraud and financial crime pose significant risks to the social housing sector, with estimated losses reaching £1 billion annually.
- 3.2 It is thought that fraud in the social housing sector is under reported. The Group is committed to preventing fraud where possible. But also, to implementing robust identification, investigation and reporting frameworks. Having a fraud awareness culture is key to this.
- 3.3 The following sections break down specific areas covered in this policy, and outline the risk assessments, control measures and reporting mechanisms that are in place. The Group's Speak Up Policy provides channels for reporting concerns, while the Fraud Response Plan outlines investigation procedures.

General Fraud

- 3.4 Fraud can be defined as a wrongful or criminal deception intended to result in financial or personal gain. Fraud risks are detailed in Appendix 1.
- 3.5 Incidents will be logged in a fraud register, which contains details of allegations and investigations. The fraud register is submitted to the Regulator of Social Housing on an annual basis.
- 3.6 Fraud and allegations of fraud will be investigated by a suitably qualified, independent senior member of staff (unless there are reasons otherwise, this will be the Director (Business Assurance))
- 3.7 Progress on investigations will be reported to the Group Audit and Risk Committee as a standing item on the agenda.
- 3.8 The Economic Crime and Corporate Transparency Act 2023 creates a new corporate criminal offence for failing to prevent fraud. the Group may be held liable for failing to prevent fraud by associated persons.
- 3.9 The prevention measures in place within the Group include:
 - Top level commitment – the governance structures in place confirm the Board and Senior Leadership Team's top level commitment to fraud prevention. This policy, along with the Speak Up Policy, dedicated specialist resource and training to all colleagues are examples of this and will continue to be maintained
 - Risk assessment – the Group will maintain a comprehensive fraud risk register
 - Proportionate risk based prevention procedures – relevant fraud prevention controls will be documented within the fraud risk register
 - Due diligence – appropriate due diligence will be carried out across relevant activities including, but not limited to, third party suppliers/contractors, partners, potential merger organisations, colleagues (pre-appointment and ongoing wellbeing checks) tenants and other customers.
 - Communication/training – the Group will ensure that colleagues and other stakeholders are aware of its fraud awareness, prevention,

detection, and recovery policies and procedures through various information sharing channels and training.

- Monitoring and review - the Group will keep its fraud policies and procedures under continual review through a regular cycle of formal review/approval processes, undertaking lesson learnt/control improvement reviews after fraud investigations are undertaken and throughout internal/external audits and other relevant internal/external reviews.

Social Housing Tenancy Fraud

- 3.10 The Prevention of Social Housing Fraud Act 2013 criminalizes tenancy fraud and empowers local authorities to prosecute offenders. The Group is committed to identifying and addressing tenancy fraud, which includes:
- Sub-letting (whole property or part of) including 'non-occupation'
 - Wrongly claimed succession
 - Unauthorised assignment of a tenancy (ie mutual exchange without permission)
 - Key selling (selling the property to a 3rd party)
 - Fraudulently obtaining a social housing tenancy by misrepresentation of identity or circumstances
 - Fraudulent Right to Buy applications
- 3.11 Prevention and detection measures include:
- Tenancy Audits: Annual audits and random checks are conducted to verify occupancy and household details.
 - Information Updates: Tenants may be asked to confirm household information, which is cross-checked with internal records.
 - ID Verification: Individuals added to a tenancy must provide valid identification and relationship details.
- 3.12 Common indicators the Group may use to identify possible tenancy fraud includes:
- Lack of engagement or contact from the tenant to the Group
 - Lack of repair requests
 - Difficulties with gaining access to the property or contacting the tenant
 - Fluctuations between credits and arrears on the rent account
 - Large credits on accounts
 - Payments on account from someone other than the named tenant
 - Council tax arrears or other third party information
 - Regular damage/vandalism.
- 3.13 Depending on the circumstances of each case, the Group may consider:
- Issuing a formal warning to the tenant about tenancy fraud
 - Putting in place a voluntary undertaking with the tenant to prevent tenancy fraud from occurring
 - Serve a Notice
 - Accept a surrender of tenancy from the tenant

- Seeking possession of the property
 - Prosecution for recovery of profit or damages
- 3.14 Should a tenant leave the property of their own accord at the point of detection, the Group will consider ending the tenancy without progressing their case to court. However, this will not be possible in some situations, and enforcement action will need to be considered. Where there is proven tenancy fraud or subletting, the Group will consider taking immediate legal action.
- 3.15 The Group may use new criminal legal remedies to prevent tenancy fraud where other means have failed. The Local Authority will always instigate this.
- 3.16 The Act creates two new criminal offences, which will be committed when:
- The tenant sublets the whole or part of the property, ceases to occupy the property as an only or principal home and does so knowing that to do so is contrary to the express or implied terms of the tenancy; and/or
 - the tenant dishonestly and in breach of an express or implied term of the tenancy sublets or parts with possession of the whole or part of the property and ceases to occupy it as his only or principal home.
- 3.17 These offences apply to secure and assured tenants of Private Registered Providers, but assured tenancies which are also shared ownership leases are excluded from the provisions.

Money Laundering

- 3.18 Money laundering involves disguising the origins of illegally obtained money. It also includes using funds to support terrorism.
- 3.19 A risk assessment has been undertaken to determine the areas at most risk to the Group of coming across laundered money. The risk assessment has taken into consideration the following factors:
- Customers
 - Services being delivered
 - Service delivery channels (online, face to face)
 - Financing methods
 - Geographical areas of operation.
- 3.20 We have identified that the highest areas of risk are in relation to property sales and customer payments (such as large rent in advance payments and large payments to pay off arrears).
- 3.21 All colleagues should be vigilant and challenge unusual behaviours to help reduce the opportunity for criminal activity taking place through money laundering. To ensure compliance with money laundering legislation, the Group:
- Has appointed a Money Laundering Reporting Officer (MLRO) to receive disclosures – this is the Executive Director (Finance and Corporate Services). In the absence of the MLRO the Director (Business Assurance) is authorised to deputise;

- Undertakes customer due diligence checks;
- Undertakes due diligence procedures when entering into partnerships/commercial or other business ventures with external parties;
- Is vigilant in relation to transactions that carry a higher risk of money laundering;
- reports concerns/suspicious transactions to management and then to the MLRO.
- Has implemented a procedure for enabling the reporting of suspicions of money laundering and maintains record keeping procedures.

Bribery

- 3.22 Bribery is offering or receiving something of value to influence a decision or action, which may constitute an offence under the Bribery Act 2010. This could include:
- Offering or accepting bribes;
 - Bribing foreign officials; or
 - Any form of improper influence in business dealings.
- 3.23 The Code of Conduct sets out the Group's policy in relation to receiving gifts and hospitality. However, the following list provides some overarching principles of what would not be acceptable. Any gift or hospitality must:
- Not be made or received with the intention of improperly influencing a third party, board member or officer to obtain or retain business or a business advantage, or in explicit or implicit exchange for benefits or favours;
 - Be given in the name of the Group and not in an individual's name;
 - Not include cash or a cash equivalent;
 - Be appropriate in the circumstances;
 - Be given openly and not secretly.
- 3.24 In addition to the above, Governance Members and colleagues must not threaten or retaliate against others who have refused to commit a bribery offence or who has raised concerns under this policy. The Speak Up Policy provides more information in relation to safeguards for those who raise concerns in good faith.

Corporate Criminal Offences

- 3.25 The Criminal Finances Act 2017 makes it a corporate offence to facilitate tax evasion. The Group may be held liable if employees or associates enable tax evasion.
- 3.26 In order to identify and prevent tax evasion risks, the Group will regularly conduct risk assessments for each of its key business activities. In particular, the Group will:
- provide training to at risk employees on the Act and how to identify and combat tax evasion;

- regularly assess risk areas, for example tenders submitted by suppliers for work which are delivered to Procurement and financial restructuring;
 - undertake appropriate due diligence on third parties and associated persons prior to entering into contracts, arrangements or relationships with them;
 - keep accurate and complete financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 3.27 Colleagues must report any concerns that they may have, as soon as possible, in accordance with the Speak Up Policy.

Modern Slavery

- 3.28 Modern slavery includes forced labour, human trafficking, and exploitation. In compliance with the Modern Slavery Act 2015, the Group will:
- Publish an annual Slavery and Human Trafficking Statement on its website. This will include the steps taken by the Group to manage the risks of modern slavery;
 - Conduct thorough due diligence on all our supply chain partners to ensure that suppliers and contractors adhere to ethical labour standards, reducing the risk of modern slavery infiltrating business operations;
 - Investigate any suspected breaches and terminate contracts if necessary;
 - Follow ethical recruitment practices and verify work rights;
 - Provide training to help employees identify and report signs of exploitation; and
 - Undertake tenancy fraud audits to help detect and prevent illegal subletting and other fraudulent activities that could mask exploitative practices.
- 3.29 The Group has a Safeguarding Adults Policy and an Unmet Need and Child Safeguarding Policy to ensure that safeguarding measures are in place to protect vulnerable individuals from exploitation.

4. Roles and responsibilities

The board

- 4.1 The Board is responsible for establishing and overseeing the internal control framework to manage risks, including fraud, bribery, and money laundering.
- 4.2 The board monitors the effectiveness of this policy, and the controls established to mitigate the risks, through the Group Audit and Risk Committee which reports to board periodically on the adequacy of these controls.

- 4.3 The board is also responsible for making arrangements for investigating allegations of fraud, money laundering and bribery. These arrangements include the appointment of a suitably qualified senior member of staff to lead the investigation (unless there are reasons otherwise, this is expected to be the Director (Business Assurance)).
- 4.4 The Group Audit and Risk Committee (and board) is responsible for providing an appropriate response to investigations and deciding whether to report matters to external authorities. For legal/insurance purposes a crime will need to be reported to the police as soon as it is identified, which means that this decision could occur before the point at which the board is notified.

Internal Audit

- 4.5 The Director (Business Assurance) has responsibility for ensuring that all internal audits consider the potential for fraud and where an investigation is required following an allegation of fraud, money laundering or bribery this will include:
- Including fraud risk in all audit scopes;
 - Investigating allegations in line with the Fraud Response Plan and disciplinary policy;
 - Gathering evidence, taking statements and writing reports;
 - Liaising with the Executive Team, the Group Audit and Risk Committee Chair and board Chair where investigations conclude that wrong doing has taken place;
 - Co-operating with external agencies who may be involved such as HMRC, the Regulator of Social Housing, and the Information Commissioners office etc;
 - Recommending improvements to prevent recurrent and recover losses.

Managers and Directors

- 4.6 The Executive Director (Finance & Corporate Services) is the Group's "Money Laundering Reporting Officer", which means they are responsible for taking action where suspicious transactions (potential laundered money) are detected. The Fraud Response Plan would be invoked in these circumstances, and a report to the National Crime Agency may be required.
- 4.7 Together with colleagues, managers are the first line of defence against fraud, money laundering and bribery. They are responsible for:
- ensuring all colleagues and managers, particularly new starters, are familiar with the Group's Code of Conduct and this policy and know what to do when problems are identified;
 - being aware of the potential for fraud, money laundering and bribery
 - maintaining effective internal controls within their areas;

- Identifying and reporting suspicious activity or control weaknesses; and
 - Escalating concerns to their Director or the Director (Business Assurance).
- 4.8 Directors and/or the Director (Business Assurance) should inform the Group Chief Executive immediately on being alerted to such suspicions and the Chair of the Group Audit and Risk Committee and/or Group Chair if the act involves a senior officer of the Group or is material in nature.
- 4.9 Managers and Directors must avoid actions that could compromise investigations and follow guidance in the Fraud Response Plan.

Governance

- 4.10 The Governance Team manages the process for monitoring gifts and hospitality. Any areas for concern are escalated to the Executive Board.

Colleague responsibilities

- 4.11 Colleagues are expected to:
- Act with integrity and protect Group resources;
 - Understand the risk of fraud, money laundering and bribery faced by the Group;
 - Complete mandatory training and follow relevant procedures;
 - Report any suspicions that they may have whenever they come across it within their work or in connection with their duties, including where reports have been received from third parties (e.g. HMRC), in accordance with the Speak Up Policy.
 - Notify the Group as soon as possible if they are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity.
- 4.12 Colleagues in Housing Operations are specifically responsible for investigating reports of tenancy fraud, with enforcement led by Community Safety Officers/Specialist Managers.

5. Training

- 5.1 All colleagues are made aware of this policy as part of their induction.
- 5.2 Mandatory Fraud Awareness e-learning must be completed every three years via MYLO.
- 5.3 The Director (Business Assurance) will provide guidance on handling allegations of and suspected fraud, ensuring that the Group's Fraud Response Plan is appropriately followed.
- 5.4 Additional training is provided for roles with higher exposure to fraud risks.

Section 3: Legal and regulatory

6. Legislation

- Prevention of Social Housing Fraud Act 2013
- Fraud Act 2006
- Bribery Act 2010
- Criminal Finances Act 2017
- Computer Misuse Act 1990
- Proceeds of Crime Act 2002
- Serious Organised Crime and Police Act 2005
- Money Laundering Regulations 2017
- The Terrorism Act 2000
- Modern Slavery Act 2015
- Economic Crime and Corporate Transparency Act 2023

7. References

- N/A

8. Definitions

The Group	Progress Housing Group Limited (and subsidiary companies specified within the entities section)
Progress Homes	The brand name the Group uses when referencing general needs and independent living homes
RWP	The brand name the Group uses when referencing supported living homes
Unlawful Profit Order (UPO)	A civil money judgment against a tenant in respect of any unlawful profit made as a result of sub-letting their social housing tenancy.
Governance Members	An individual with a service agreements who serves one or more of the Group's boards or committees

9. Associated policies and procedures

Document reference	Name of document
GRPOLBA03EIA	Equality impact assessment
GRPOLBA01DPIA	Data Protection Impact Assessment

GRPOLBA03	Speak Up Policy
GRPOLGV04	Code of Conduct
GRPOLHR04	Disciplinary Policy
GRPROBA03	Fraud Response Plan
	Anti-Money Laundering Procedure
	Social Housing Tenancy Fraud Procedure

10. Equality impact assessment

- 10.1 An Equality Impact Assessment has been undertaken and the outcome deemed to be of low risk to individuals within protected characteristic groups.

11. Data protection

- 11.1 Due to the potential sensitive nature of data that could be collated during fraud investigations, a full Data Protection Impact Assessment (DPIA) has been undertaken.
- 11.2 To tackle tenancy fraud, the Group shares information with other agencies including the Police, Local Authority departments and Department of Work and Pensions.

12. Customer Voice and influence

- 12.1 A Tenant Talk session was held to obtain feedback from tenants on the contents of this policy. Tenants welcomed the opportunity to receive more information on the different types of fraud that they may witness or encounter.

13. Monitoring and review

- 13.1 This policy will be reviewed every 3 years unless an earlier review is prompted by an external or internal change.
- 13.2 Monitoring is conducted through:
- Internal audits;
 - Lessons learned from investigations;
 - Feedback from stakeholders, including tenants; and
 - Updates to the fraud risk register and control measures.

Section 4: Appendices

Appendix 1 – examples of fraud risks

- Cyber frauds (e.g. phishing, malware, ransomware)
- Tenancy frauds (and RTB frauds) e.g. money laundering, illegal tenancies, illegal succession, subletting, Cuckooing
- Payment and push payment fraud
- Procurement, planned works and construction frauds (collusion and falsification of tender information)
- Construction frauds (e.g. overvaluing contract work)
- Social Engineering fraud (tricking to obtain access to privileged information/identity)
- Supplier mandate fraud (fraudulent change of bank details) and duplicate invoice fraud
- Key person fraud (impersonation fraud - e.g. CEO or CFO instruction)
- Physical security fraud (tailgating)
- Employee identity fraud (e.g. right to work, previous roles, qualifications)
- Payroll frauds (e.g. ghost employees, former employees and expenses frauds)
- Teeming and lading frauds
- Credit card frauds (e.g. card detail skimming or pin skimming)
- Financial statement frauds (fraudulent misstatement of accounts)
- Treasury frauds (e.g. payment diversion)
- Theft (supplies, equipment)