

Property fraud – are you protected?

Submitted by: Ashfords LLP

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We are a nation of property owners and a nation obsessed with owning property. Our home is our castle, it cannot be stolen from us – or so we think...

Fraud is becoming more common in everyday life. There are more and more advanced ways for fraudsters to tap into our communications, access our accounts and steal our money. We think, however, that property is safe. It is tangible and solid and could never be sold from under our feet. This is what we think, but in reality this is not the case.

Property fraud is on the increase. The Land Registry have purportedly prevented 279 fraudulent registrations with a combined value of £133.4 million since 2009. Anyone owning a property can be targeted, with empty and unmortgaged homes usually most vulnerable. Fraudsters impersonate the owners, obtain false ID, or even change their names by Deed Poll in order to perpetrate a crime. Solicitors and other professionals often get caught up in the middle, having acted for the fraudsters without their knowledge and with all compliance checks having been apparently passed.

The land registration system was introduced with the aim of cutting out an old-fashioned paper process and to make it easier to identify the true owner of a piece of land. Whilst many of the reforms have been beneficial, an open electronic register has encouraged fraudsters to take advantage of the system. If you obtain office copies of a property you can find out who owns it, whether they have another address, whether there are any charges registered against it, and often what the purchaser paid for it! All this you can do for a few pounds.

The fraudsters are very clever - they arrange for mail to be redirected, they watch your property, and in some cases it is your tenants who are the perpetrators. They keep paying the rent, and it is not until after they stop paying the rent that the fraud comes to light. In that time the property has been sold and they are long gone.

Anyone who owns property could potentially be targeted by fraudsters, although there are people who are more vulnerable. You are more at risk if:

Your identity has been stolen

You rent out your property / purchase a buy-to-let property

Your property is empty

Your property is mortgage free

What can you do to protect yourself?

- Sign up to HM Land Registry Property Alert Service – this a free service provided by HM Land Registry which enables you to monitor up to 10 registered properties in England and Wales. By signing up

to this service, this will alert you to when someone tries to deal with your property such as apply for a mortgage or sell, so that you can take immediate legal steps to try prevent it.

- Apply for a restriction to be entered on your title. You can place a restriction which will prevent the property being sold without your solicitor first certifying that they have identified you personally and that you have made the application. This is especially important in the case of an unmortgaged property. Fraudsters are unlikely to be interested in a mortgaged property as they know funds will be needed to repay the mortgage company before the property can be sold, and they may not be able to find out how much the charge is worth so are more likely to try an easier target.
- If your property is empty carry out regular inspections – every 2-3 months at the very least.

If you think you are the victim of a property fraud you should take urgent steps to:

- a) Take independent legal advice or contact Citizens' Advice Bureau
- b) Contact HM Land Registry on their Property fraud helpline on 0300 006 7030 or their email address reportafraud@landregistry.gov.uk.

If you would like assistance in relation to a property fraud or taking steps to reduce the risk of a property fraud, do not hesitate to contact Victoria Bonnet in our Property Litigation Team.

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