

# Together

we can combat **mortgage fraud**

## WHY DOES MORTGAGE FRAUD HAPPEN?

**Failed employment** is the biggest reason. Buyers provide fraudulent employment details and income values to support their application.

**Backdoor brokers** assist those struggling to obtain credit. Sometimes the buyer is unwitting; other times they collude in the fraud.

## WHO COMMITS MORTGAGE FRAUD?

### The 'genuine but desperate'

Driven to secure a mortgage on a property or get a lower interest rate.

Often under pressure from family.

Don't always see their behaviour as fraud e.g. exaggerating their income.



### The 'professional fraudster'

Their sole purpose is financial gain.

Often linked to organised criminal groups.

Experienced in financial fraud, with a good understanding of the industry and how to avoid controls.



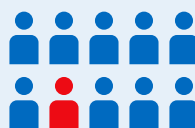
## SPOT FRAUDULENT PAYSLEIPS

- Is the tax code correct?  
Are they paying income tax?  
Are the calculations accurate?
- Do additional benefits – pension, health care, car allowance – match the wage or job status?
- Rounded figures are a red flag – these are extremely rare on genuine details
- Does the payslip format match the type or size of employer?

## KEEP AN EYE ON EWS1 FORMS

An **EWS1 form** details whether a building poses an enhanced fire risk – scammers are signing these off using bogus qualified surveyor identities.

## DID YOU KNOW?



**1 in 10** applicants thinks it's **reasonable to exaggerate their income** on a mortgage application.



**Almost half** of fraudulent applicants are aged **31-40**

Source: fraud prevention agency, Cifas September 2019

## LOOK OUT FOR STAGED INCOME

**Staged income** is where applicants create fake income streams – regular payments throughout the application process which end after completion. Be aware of:

- Applicants only employed for a short time prior to the mortgage application
- A very recent second job, where the income is needed to support the application
- Salary credits paid by "Faster Payment" as opposed to BACS
- Employers who are small, difficult to trace or a family member
- Changes in job types that appear out-of-line with previous roles

## WHAT WE CAN DO TO STOP FRAUD

- Ensure you fully understand our lending criteria – if in doubt touch base with us
- When asked for client details by us (mobile, email address etc.) don't use your own details at this stage
- Make sure you know where your business is coming from – beware of unsolicited approaches promising a rich pipeline
- Report any suspicions to your Business Development Manager and we'll do everything we can to investigate
- Check your clients are who they say they are on Companies House, LinkedIn, Zoopla or Facebook

## Here to support you like you support us

If you'd like to know more about how we can work together to prevent mortgage fraud or have any questions, talk to your Business Development Manager.

### For Intermediary use only.

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