Anti-Fraud Policy

This policy sets out Bromford Flagship LiveWest's approach to [insert], in support of delivering safe, fair and responsive services to our customers. It is underpinned by legal duties, regulatory expectations, and a commitment to fairness, accountability, and transparency.

Department	Risk	
Policy owner	Group Insurance and Financial Crime Manager	
Approved date	**July 2026**	
Date for review	**July 2029**	
Approving body	Audit and Risk Committee	
Associated legislation/regulation	Bribery Act 2010 Crime and Policing Act 2026 Criminal Finances Act 2017 Data Protection Act 2018 Economic Crime and Corporate Transparency Act 2023 Fraud Act 2006 General Data Protection Regulations	Human Rights Act 1998 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 Public Interest Disclosure Act 1998 Proceeds of Crime Act 2002
Legal advice from	None Required	
Equality impact assessment date	June 2026	
Version number	**1.0**	
Publication status	Internal and External	

Approval

This policy was approved by Audit and Risk Committee and is applicable to:

- Bromford Flagship Ltd
- Bromford Housing Association Ltd (operating as Bromford)
- Bromford Home Ownership Ltd (operating as Bromford)
- Merlin Housing Society Ltd (operating as Bromford)
- Flagship Housing Limited (operating as Flagship)

LiveWest Homes Ltd (operating as LiveWest) Any references to Bromford Flagship LiveWest should be interpreted as equally applicable to all the above.

Purpose/principles

Bromford Flagship LiveWest (BFL) is committed to preventing fraud and fostering a culture of honesty, integrity, and transparency. We maintain a zero-tolerance approach to all financial crime and expect all colleagues to act with honesty and always uphold the highest ethical standards. These principles are upheld consistently and without exception across all areas of our business.

Scope

This policy applies to all confirmed or suspected instances of fraud involving BFL colleagues, as well as any individuals or organisations with whom we maintain a business relationship, this includes associated persons working for, or on behalf of BFL.

Roles/responsibilities

Board has overall responsibility for this policy. The Board delegate responsibility for this to the Audit & Risk Committee (ARC). ARC has responsibility for the following:

- Reviewing this policy to ensure its continued relevance and effectiveness.
- Making recommendations to the Board regarding financial crime risk management and related controls.
- Maintaining oversight of financial crime risk management and internal controls.
- Approving the annual financial crime workplan and reviewing progress.
- Approving the annual report to the Regulator of Social Housing (RSH), including the register of investigated fraud cases and detailing losses from fraudulent activity.

Risk and Disclosure Committee (RDC) and Risk and Regulation Group (RRG) are responsible for the following:

- Reviewing periodic reports, financial crime related management information, and monitoring progress against the Financial Crime Workplan, as submitted by the Group Insurance and Financial Crime Manager.

The Group Insurance and Financial Crime Manager is responsible for:

- Overall responsibility for the coordination and execution of all anti-financial crime activities across BFL.
- Developing financial crime training and awareness for delivery across the Group
- Leading the delivery and communication of financial crime prevention, detection, deterrence, and investigation initiatives, in alignment with the financial crime framework.
- Providing regular reports, fraud-related management information, and updates on progress against the financial crime framework.

All colleagues are responsible for the following:

- Act in accordance with the principles outlined in this policy.
- Demonstrate BFL values and behaviours consistently in their day-to-day activities
- Report immediately any suspicions or evidence of irregular, improper, or behaviours that indicate any form of financial crime.
- Exercise propriety and accountability in the use of BFL resources, including the handling of funds and interactions with contractors, suppliers, and customers.

Policy content

What is fraud

Fraud is defined under the Fraud Act 2006 as a criminal offence involving dishonest conduct intended to result in personal gain or to cause loss (or risk of loss) to another.

BFL is committed to investigating all instances of actual, attempted, or suspected fraud, and will take appropriate action to recover any funds or assets lost as a result. This policy reinforces our zero-tolerance stance on fraud and ensures that all colleagues understand their role in maintaining a transparent and trustworthy working environment.

Policy commitment

This policy underpins our commitment to ethical conduct and responsible governance by:

- Safeguarding colleagues, customers, third parties, assets, and resources from misuse or misappropriation.
- Promoting a culture of honesty, integrity, and accountability across all levels of BFL
- Ensuring compliance with legal, regulatory, and contractual obligations, including material fraud and annual fraud reporting requirements to the Regulator of Social Housing (RSH).
- Supporting a consistent and initiative-taking approach to fraud prevention, deterrence detection, investigation and seeking redress.

Examples of fraud

The following is a non-exhaustive list of fraudulent activities:

- Fraudulent applications for employment, including misrepresentation of qualifications, experience, or identity.
- Theft or unauthorised use of BFL property, assets, materials, resources or intellectual property.
- Forgery or unauthorised alteration of documents, records, or systems
- Wilful destruction or removal of BFL records to conceal misconduct or avoid accountability.
- Unauthorised disclosure of confidential or commercially sensitive information, whether for personal gain or to benefit a third party.
- Submission or approval of false invoices, including inflated or fictitious values.

- Falsified expense or reimbursement claims, such as claiming for non-existent or personal costs.
- Diversion or misdirection of funds, including transferring money to unauthorised accounts or purposes.
- Knowingly submitting false information to secure funding, monies, contracts, or other incentives, whether for personal gain or to benefit BFL improperly.
- Acceptance of bribes, kickbacks, or inducements intended to influence decisions or gain unfair advantage.

Allegations of fraud committed by customers, including tenancy fraud, fall outside the scope of this policy and will be managed in accordance with the Group's Customer Fraud (Tenancy Fraud) Policy.

Reporting concerns about fraud
All concerns relating to fraud should be reported in accordance with the BFL Financial Crime Procedure. Colleagues are encouraged to raise concerns using the reporting options available, including Whiss, BFL's independent whistleblowing service, which allows concerns to be raised confidentially and, where preferred, anonymously.

Investigation standards, materiality and regulatory reporting
All fraud investigations undertaken will adhere to criminal investigation evidential principles, ensuring that evidence gathered is robust and capable of supporting criminal, civil, or regulatory action.

Investigations will be conducted fairly, proportionately, and in compliance with relevant legislation and internal policies.

Where allegations involve colleagues, investigations will be managed in accordance with the Group disciplinary and HR procedures, ensuring due process, confidentiality, and appropriate governance oversight.

Materiality consideration matrix and qualitative considerations
The matrix and qualitative considerations establish clear criteria for determining whether the reported concerns are Low, Medium or High, supported by defined escalation routes and documented regulatory reporting decisions. This will provide a consistent and auditable approach to assessing fraud-related governance, control, customer, regulatory and reputational risks and support timely consideration of RSH notification requirements. Further detail is provided in **Appendices 1–3.**

Oversight and qualitative information
ARC will receive a bi-annual financial crime report to provide commentary on significant investigations, emerging trends, thematic control weaknesses, materiality assessment outcomes, decisions relating to regulatory notification, and lessons learned arising from completed investigations.

Classification	Number
Low (non-material)	
Medium (potentially material)	
High (material)	
RSH notifications	
Law enforcement referrals	

Law enforcement and external agencies
Referral to law enforcement and/or external agencies will normally occur where:

- Fraud is assessed as material
- There is clear evidence of criminal conduct
- Recovery action requires legal intervention
- There is public interest in prosecution
- Subject to the approval of the RDC Chair, and or vice-chair

Recording and NROSH reporting
All frauds, regardless of value, will be:

- Recorded in the Group fraud register

In line with NROSH requirements:

- All related losses will be included within the Group annual fraud return
- Potential material, or Material frauds will be reported to the RSH outside of the annual cycle

Recovery of monies
Where evidence supports a monetary loss has occurred due to fraudulent actions, civil recovery of monies will be pursued against colleagues, persons and or organisations.

EIA statement

An Equality Impact Assessment was undertaken for this policy on 18 June 2026 and no impact was identified, or changes required.

We recognise that we may not have identified all adverse impacts on one or more protected characteristics. We welcome any feedback on, or examples of, things that we may have overlooked so that we can continuously improve our policy.

Training statement

This policy will be trained out to all colleagues by eLearning on a two-year cyclical basis.

Measuring effectiveness

The effectiveness of this policy will be measured through audits, regular reporting to RRG, RDC and ARC and the submission of the Annual Fraud Return.

Review period

This policy will be reviewed every three years by the Group Insurance and Financial Crime Manager or sooner in response to significant regulatory or organisational changes. The Audit and Risk Committee approve it.

Supporting documents

- Equality Impact Assessment

Version control

Note: minor updates approved by delegated authority increase version number by 0.1; major updates and formally approved versions increase version number by 1.0.

Version	Detail	Approved by	Date
1.0	First issue	Audit and Risk Committee	July 2026

Appendix 1

Material consideration matrix and qualitative considerations

Financial loss is an important factor when assessing fraud; however, materiality must be determined through informed judgement and consideration of the broader impact on the Group. In line with the expectations of the Regulator of Social Housing, the Group will consider both the actual and potential consequences of a fraud event. A fraud may be deemed material irrespective of financial value where it could reasonably influence the assessment of the Group's governance, financial viability, regulatory compliance, customer outcomes, stakeholder confidence, or control environment. When assessing materiality, the following factors should be considered collectively:

- The fraud exposes a material weakness or failure in governance, internal controls, risk management, assurance arrangements, or oversight.
- The fraud involves a Board member, executive, director, senior manager, or individual in a position of trust or key control function.
- The incident suggests a systemic, repeated, or widespread issue rather than an isolated event.
- There is actual or potential material detriment to customers, colleagues, assets, services, or operations.
- The incident may result in actual or potential material non-compliance with regulatory, legal, statutory, or contractual obligations.
- There is potential for significant reputational damage, stakeholder concern, adverse media attention, or loss of confidence.
- The fraud involves cybercrime, information security, personal data, or other sensitive information.
- The fraud involves contractors, suppliers, partners, subsidiaries, or other third parties and may indicate broader material control or procurement concerns.

Regulatory materiality test
In determining whether a fraud should be escalated to the RDC Chair, and or the Vice, consideration will be given to:

"Would the regulator, Board member, lender, or stakeholder consider this incident important in assessing the Group's governance, financial viability, regulatory compliance, or effectiveness of internal controls?"

If the answer is yes, or there is reasonable doubt, the matter should be treated as potentially material and escalated for consideration.

Documenting materiality consideration matrices

A fraud will be treated as notifiable to the RSH where it is assessed as material, meaning it:

- Could indicate material actual or potential non-compliance with regulatory standards
- Exposes material weaknesses in governance, internal controls, or risk management
- Could affect the organisation's financial viability or governance grading
- Presents significant reputational risk to the organisation or sector

A documented materiality consideration matrix **(Appendix 2)** will be completed for all suspected and confirmed frauds and classified as Low (not material), Medium (potentially material), or High (material) and retained within the investigation file and made available where escalation is required.

Materiality is not a static assessment and must be reviewed throughout the investigation lifecycle. An initial assessment will be undertaken upon receipt of an allegation of fraud, with subsequent reviews conducted whenever new information is identified that could alter the materiality consideration matrix. A final determination of materiality will be made on completion of the investigation when the facts, impact, and any associated control, regulatory, customer, or reputational implications have been established. The assessment will record:

- Nature of the allegation or incident.
- Actual and estimated financial impact.
- Potential future financial exposure.
- Individuals, teams, customers, assets, or services affected.
- Control weaknesses identified.
- Regulatory, legal, contractual, or policy implications.
- Actual and potential reputational impact.
- Whether the issue appears isolated or indicates a wider systemic weakness.
- Whether RSH notification has been considered.
- Escalation decisions and rationale.
- Agreed actions and accountable owners.

Escalation

Internal reporting

Frauds assessed as Medium (potentially material), or High (material) must be escalated to the RDC Chair, or Vice Chair, within two working days of the assessment. The RDC Chair will determine whether the circumstances warrant external reporting and/or referral to the Chair of the Audit and Risk Committee. Where regulatory notification is being considered, a decision regarding disclosure to the RSH will be made at the earliest opportunity, based on the known facts and potential impact of the matter.

External reporting
Disclosure to the RSH will take place at the earliest opportunity once the matter is assessed following the internal reporting decision and completion of the Regulatory Notification Decision Record. The Group will not delay reporting solely because an investigation remains ongoing or the full financial impact has not yet been established.

Regulatory notification decision record (RNDR)
Where fraud is assessed as potentially material (medium) or material (high), an RNDR must be completed. The record must document the information considered, the materiality assessment, the rationale for the decision reached, the individuals involved in the decision-making process, and any subsequent review. Where a decision is made not to notify the RSH, the reasons for that decision must be explicitly recorded and retained as part of the investigation file. The RNDR is provided at **Appendix 3**.

Appendix 2

Materiality consideration matrix

Consideration	Low	Medium	High
Financial impact	Less than £15k	£15k - £75k or uncertainty over final loss	Greater than £75k or potentially significant future exposure
Control weakness	Isolated failure with effective compensating controls	Weakness affecting one process, team or control area	Significant control breakdown, governance failure, or inability to rely on key controls
Customer impact	No customer impact or minor inconvenience	Limited detriment affecting a small number of customers	Actual or potential serious detriment, vulnerability concerns, widespread impact, or service disruption
Regulatory risk	No apparent breach of standards or obligations	Potential non-compliance requiring review	Actual or likely breach of regulatory standards, statutory obligations, or regulatory interest
Reputational risk	Limited internal interest only	Potential stakeholder concern or local publicity	Significant media attention, public scrutiny, lender concern, or damage to organisational reputation
Senior involvement	No senior management involvement	Senior managerial involvement below Director level	Board member, Executive, senior leader, key control owner, or person in a position of significant trust
Systemic issue	Clearly isolated incident	Some indicators of repeat occurrence or wider weakness	Evidence of widespread, repeated, cultural, or organisation-wide control weaknesses
Third-party involvement	Limited impact supplier/customer issue	Impacts a significant contract or business relationship	Serious procurement, contractor, partnership, or supply-chain fraud creating wider organisational risk

Materiality consideration matrix outcome

The Group Insurance and Financial Crime Manager will document one of the following conclusions:

Outcome	Description
Low	Localised issue with limited impact and no material governance, control, customer, regulatory, or reputational concerns.
Medium	One or more qualitative factors present requiring escalation.
High	Significant actual or potential impact requiring consideration of external reporting obligations.

Appendix 3

Regulatory Notification Decision Record

Case Reference:
Date of Assessment:
Decision Maker(s):
Assessment Reviewed By:

1. Summary of fraud

- Nature of allegation
- Date identified
- Status (suspected/under investigation/confirmed)
- Estimated financial impact
- Individuals involved
- Business area affected

2. Materiality consideration matrix outcome

Consideration	Materiality rating	Commentary
Financial impact		
Control weakness		
Regulatory risk		
Customer impact		
Reputational impact		
Systemic issues		
Senior involvement		
Third-party involvement		

Overall Assessment: Low (Not material) / **Medium** (Potentially material) / **High** (Material)

3. RSH Notification Consideration

The following factors were considered:

☐ Potential breach of the Governance and Financial Viability Standard
☐ Potential breach of Consumer Standards
☐ Significant control or governance failure
☐ Actual or potential customer detriment
☐ Reputational implications
☐ Financial viability concerns
☐ Systemic weaknesses identified
☐ Public interest/media interest
☐ Other relevant considerations

4. Decision

Decision:

☐ Notify RSH immediately
☐ Notify RSH following further fact-finding
☐ Do not notify RSH at this stage

☐ Notification not required

5. Decision Rationale

A narrative statement will be recorded, for example:

Although the estimated loss is currently £8,000, the incident exposed significant weaknesses in procurement controls and involved a key control owner. The matter is therefore considered Material and will be reported to the RSH in accordance with the Group's regulatory reporting requirements.

Or:

The incident was isolated, involved a low financial loss, and did not indicate broader governance, control, customer, or regulatory concerns. The matter has therefore been assessed as Not Material and does not require RSH notification at this stage. The decision will be reviewed should new information emerge.

6. Approvals

Role	Name	Date
Group Insurance and Financial Crime Manager		
Chair RDC, and or vice		
Chair ARC		