



REGISTRATION FRAUD



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Land Registry

- ❖ Executive agency and self financing trading fund
 - ❖ 14 offices
 - ❖ Primary governing legislation
 - ❖ Land Registration Act 2002 & Land Registration Rules 2003
- ❖ Over 22.5 million titles
- ❖ Almost 75% of England and Wales registered

Registration fraud



Voluntary registration

Registration fraud

- ❖ Registration fraud
 - ❖ where a fraudster attempts or succeeds in changing our register for financial gain
- ❖ The legitimate owner and HM Land Registry are then left to pick up the pieces
 - ❖ Our state guarantee means we pay!

Fraud – Why are we interested ?

- ❖ State Guarantee of Title

 - ❖ Limit indemnity costs

- ❖ Maintaining the integrity of the Register

 - ❖ Protecting our customers

 - ❖ Protecting a stable economy

Historical picture

- ❖ Before 2004 most frauds were intra-family frauds.
 - ❖ Single properties
 - ❖ Usually low value
 - ❖ Often husband/wife fraud following a break up
- ❖ All frauds reported to the police

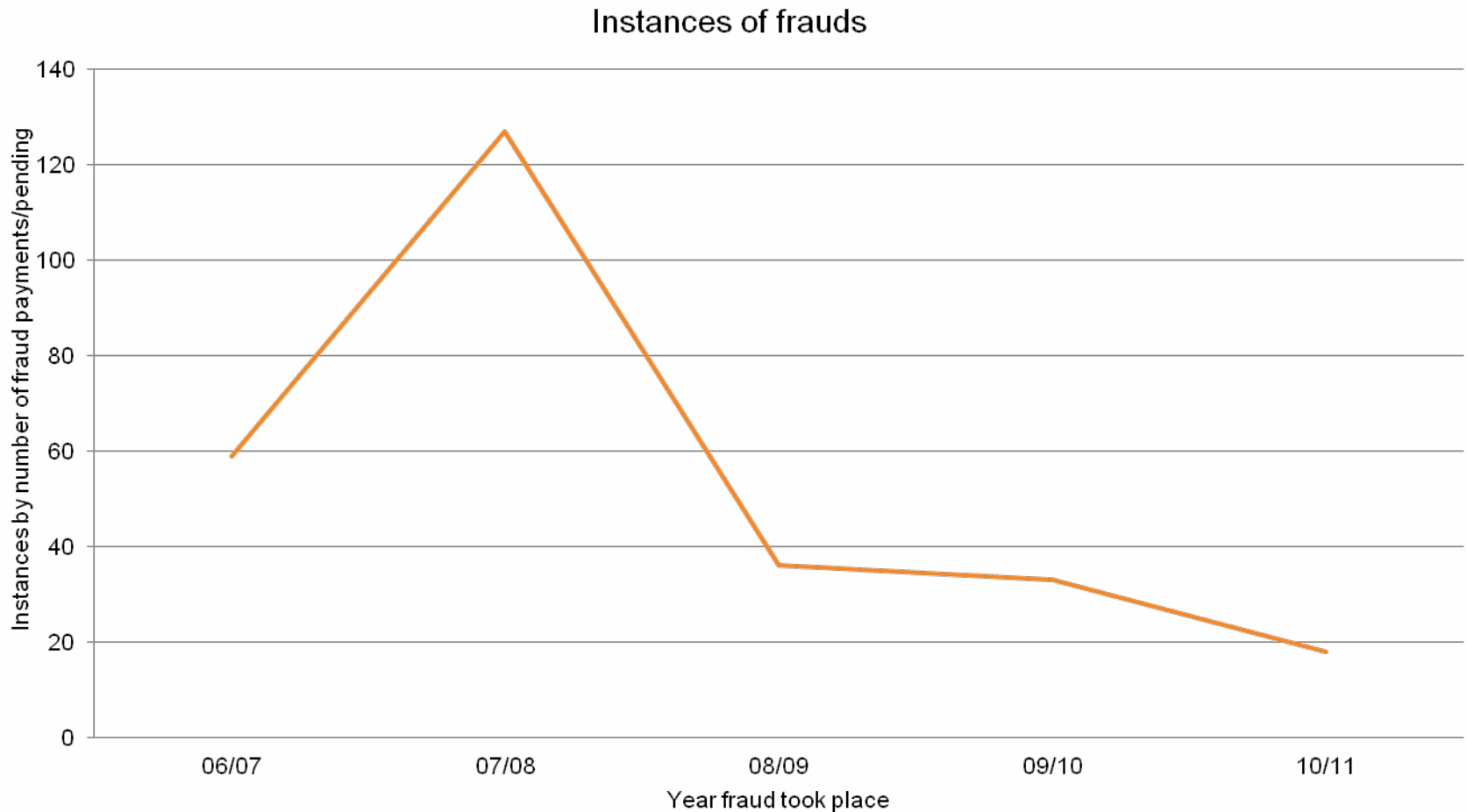
Change in emphasis

- ❖ Increase in fraud rings/organised crime
 - ❖ Attempts getting more sophisticated
 - ❖ Prevention tactics within anti-fraud strategy

Indemnity claims – the increasing cost of fraud

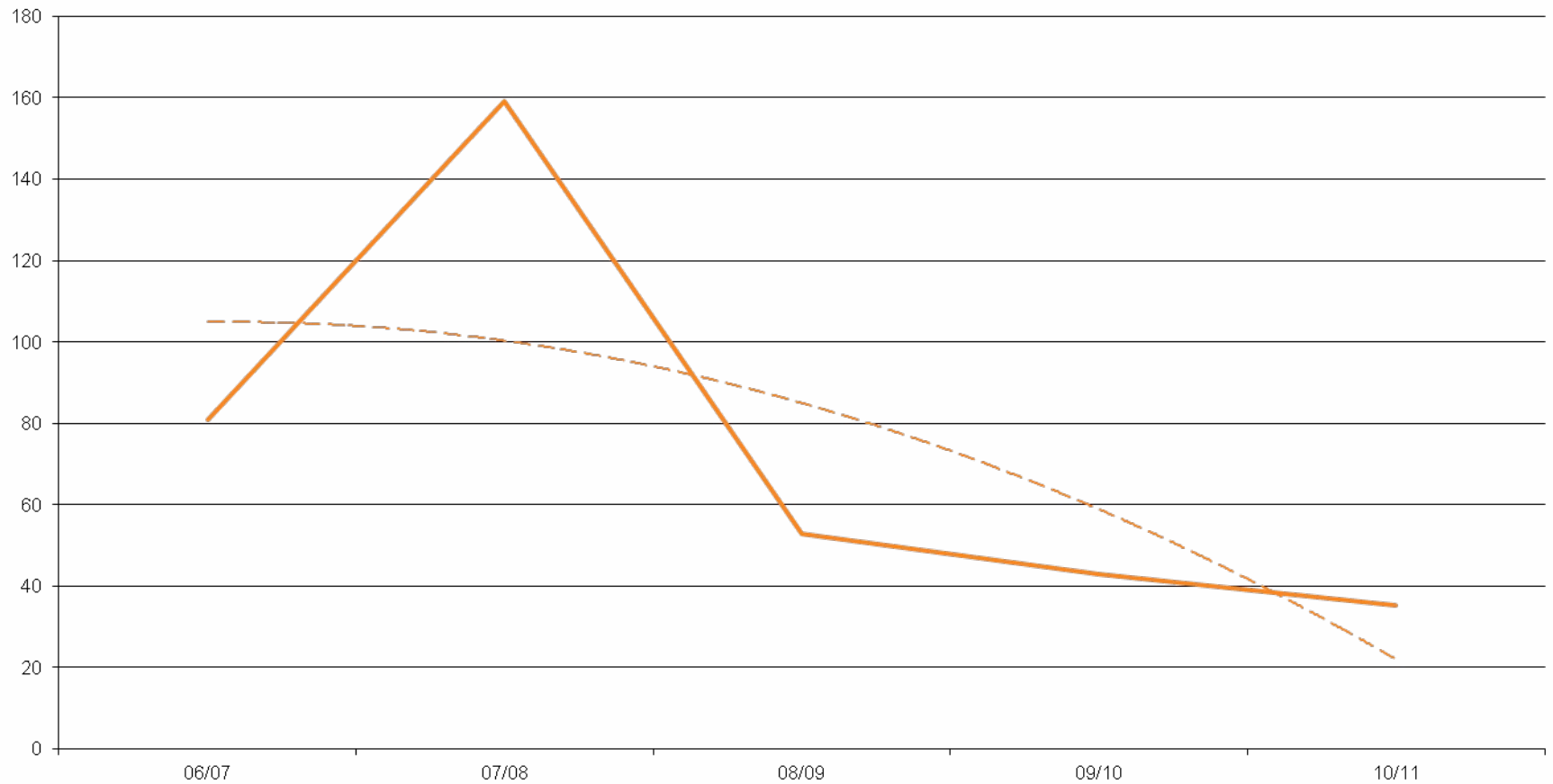
❖ 2006 – 2007 24 claims cost LR £2.1 million 40% of indemnity claims	❖ 2007 – 2008 60 claims cost LR £3.9 million 43% of indemnity claims
❖ 2008 – 2009 62 claims cost LR £5.07 million 50% of indemnity claims	❖ 2009–2010 53 claims cost LR £4.9 million 64% of indemnity claims
❖ 2010 – 2011 71 claims cost LR £7.3 million 78% of indemnity claims	

Indemnity claims – the good news



Indemnity claims – the good news

Estimated number of frauds registered per year



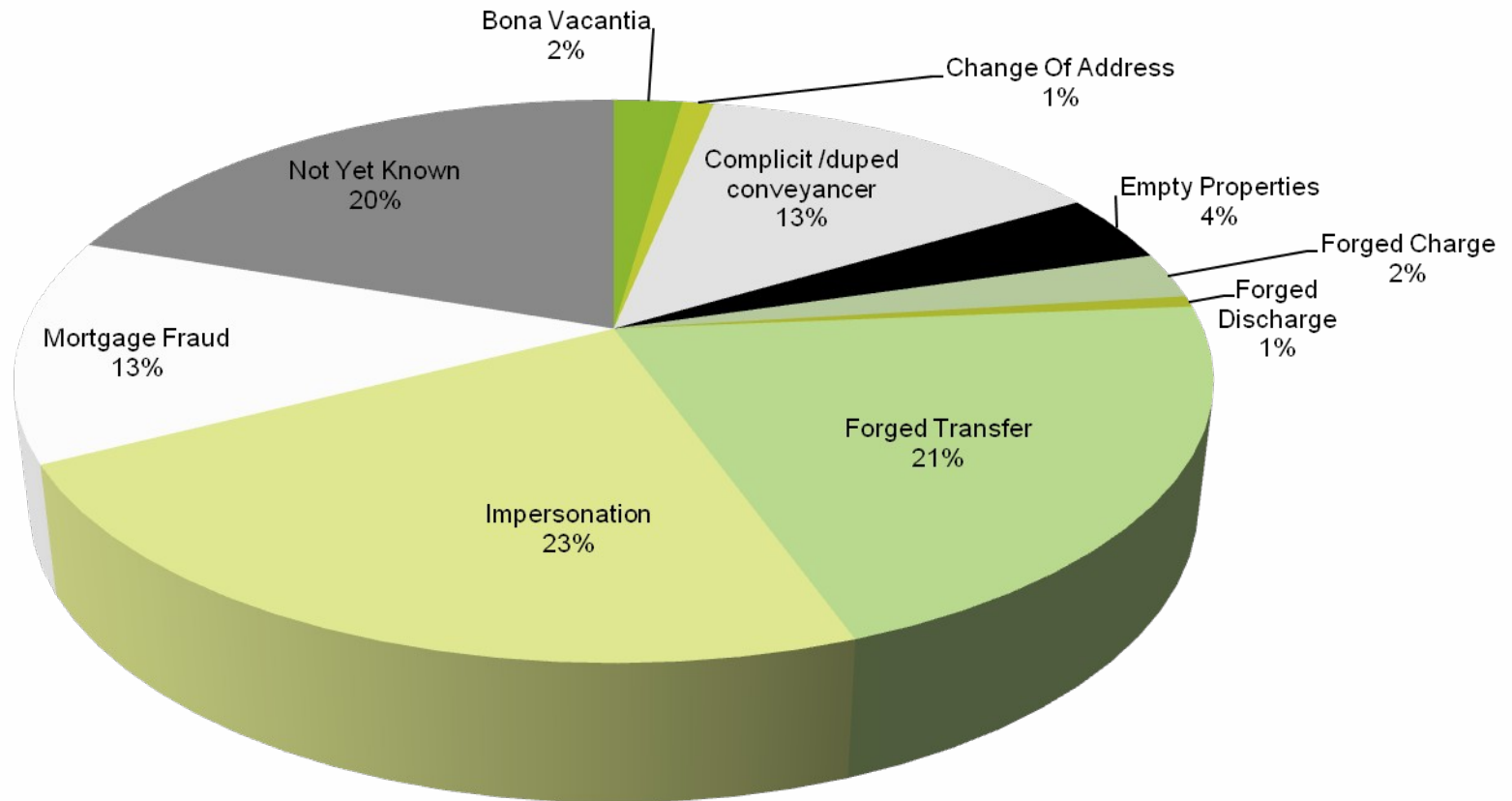
Risk areas



Voluntary registration

Known types of fraud

Current main techniques



Common themes

- ❖ Address for service on the register not up to date
- ❖ Lawyer / Licensed conveyancer
- ❖ Complicit or duped conveyancer
- ❖ Properties often empty or buy-to let
- ❖ Identity

Lay applicant frauds

- Lay applicants present 1% of all applications
- Account for 34% frauds
- Identity information requested as a prevention strategy

HMLR Strategy



HMLR Strategic objective



- ❖ Manage the risk of increased financial exposure due to registration fraud
- ❖ Preserve the integrity of the Register
- ❖ Reduce the impact on our customers
- ❖ Reduce the direct cost of registration fraud to HM Land Registry

HMLR Anti-fraud strategy



Strategy defined in 3 categories

- ❖ Prevention
- ❖ Detection and investigation
- ❖ Case management and recovery