

Common Cases of Tenant Fraud and How to Avoid Them

Posted At : May 19, 2022 3:09 AM | Posted By : Jeff LeVan

Related Categories: Landlord Advice

Today, the rental property industry seems to be making a move towards a more fully online process. There are virtual walkthroughs for tenants to view properties and online applications to move forward in the rental process. While the ease of completing everything online is a convenience, it can also be harder to spot fraud. Instances of fraud in the rental industry are on the rise. To avoid being taken advantage of, be aware of these top cases of tenant fraud.

Synthetic Fraud

If someone has failed a background check before, they may be hesitant to use correct information for fear of failing again. With synthetic fraud, an applicant instead uses all false information to fill in the application process. Nothing used is actually correct or valid information. Instead, the application is pieced together with both stolen and fabricated information. For example, the potential renter could be using the social security number of a person that is deceased instead of their own. Hopefully, thorough background checks in place during the application process will alert rental property owners to this issue so that it can be addressed before a property is rented out to someone it shouldn't be.

Identity Manipulation Fraud

Similar to Synthetic Fraud, identity manipulation fraud doesn't use accurate information. However, in this instance, information on the application is only slightly changed and not completely falsified. This could be something as simple as putting down a different birthday or changing just one number in their social security number. The majority of the information is correct, but just a few numbers here or there are changed slightly to manipulate the complete identity of a potential renter.

First-Person Fraud

Not everyone who applies for a rental property under their name is going to be accepted, and if they have filled out applications and been rejected before, they know this. To avoid this problem, as a workaround, some may fill in the application with the name of a family member or friend instead of themselves. The information may all be correct and the application may pass all background checks, but the person who submitted the application is not the person that intends to live at the actual address of the rental property.

Third-Party Fraud

Third-party fraud is when someone attempts to steal another person's identity and use that information on a rental application. If you are familiar with identity theft, then you understand third-party fraud. The person putting down the information on an application has no relationship with the name and information of the person they used to actually fill out the application. This case of fraud is potentially damaging to many, specifically the person whose identity was stolen.

Fraud of any kind can be frustrating for rental property owners or managers. It is

important to do a complete background check into potential tenants to make sure there are no suspected cases of fraud. Tenant Background Search can help with this process. We have safety measures in place to help prevent instances of tenant fraud. Contact us today to find more information about our services.