

**CONSUMER
CODE FOR
HOME BUILDERS**
www.consumercode.co.uk



Protection for new-build home buyers



Complying with the Consumer Code
for Home Builders, Fifth Edition

Your Transition Pack
for Home builders, agents and solicitors



Welcome to your Consumer Code Transition Pack

Revised Code
Implementation date:
1 Jan 2024

The Consumer Code for Home Builders (“the Code”) has been updated to strengthen protection for consumers, clarify expectations for home builders and their agents, and more closely align our Code with others in the marketplace.

This pack contains everything you need to transition from the existing Code (Fourth Edition) to the Fifth edition of the Code which is effective from 1 January 2024. The great news is that most of our requirements have been in existence for over a decade, so in most cases, you’ll already be complying with most of the Code. Key changes in the new edition include:

- A new 14 day cooling-off period from date of reservation.
- A new pre-inspection requirement to enable home buyers to seek professional help to identify snags and get them resolved before completion.
- More detailed requirements and guidance for managing customer complaints.
- An increase in the amount home buyers can claim through our Independent Dispute Resolution Scheme.

This transition pack contains resources to help you become ‘Code 2024 ready’:

- The Consumer Code Scheme, Fifth Edition (consumer version)
- The Consumer Code Fifth Edition Requirements and Guidance for Home Builders
- Summary of changes in the new edition
- Training overview
- Fifth Edition Code compliance checklist
- Fifth Edition Sample reservation agreement
- Complaints process good practice guide
- Transition and compliance promotional tools

Please note this is not a comprehensive guide to compliance. For more details, FAQs and resources, visit www.consumercode.co.uk

For more information and latest updates, [register for our newsletter](#) or follow [@TheCode_CCHB](#) on X (formerly Twitter) and [@Consumer-Code](#) on LinkedIn. Alternatively, email us at enquiries@consumercode.co.uk

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Protection for new-build home buyers



The Consumer Code Scheme

Your guide to the requirements your home builder must meet and the protection available to you throughout the process of buying a new-build home.

Fifth edition, January 2024

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Consumer Code Requirements and Good Practice Guidance for Builders

This document contains **Good Practice Guidance for Builders**.
It also gives an introduction to the **Independent Dispute Resolution Scheme**.

Fifth edition, January 2024

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Summary of changes to the Code Requirements

Listed below is a brief summary of some of the main changes that have been made to the Code Requirements and the Independent Dispute Resolution Scheme. This is not an exhaustive list - full details of the new requirements and guidance are available in this pack.

Meaning of words

New and updated definitions of some terms which have special meaning within the Code have been updated to align with other codes and be more accessible for consumers.

Customer vulnerability

There is a renewed focus on customers who may be vulnerable. Builders and your sales agents must take all reasonable steps to identify where a vulnerability may exist and act accordingly. The guidance document and updated training provides additional information and support to help you meet this requirement, alongside our [Right First Time](#) factsheet.

Training

All builders covered by our Code must provide training on the Code requirements for all staff (including those employed by any agents used) who deal with customers which must be refreshed annually. The Code's on-line learning tool is a great way to do this and has been updated to reflect the Code's Fifth Edition ahead of implementation in January 2024.

Incentives and commissions

You must not offer financial incentives to encourage customers to complete on a home which has not yet met warranty quality standards.

Any commission received as a result of recommending suppliers (including financial and legal advisers) must be declared.

Pre-contract information

The information that must be provided pre-contract has been clarified and expanded to include, for example, the detailed Planning Consent reference number under which the Home is being built and details of any future build phases, as well as the home's expected energy performance standards.

Buyers' questions should now be acknowledged within five calendar days and responded to within a reasonable period.

Part-exchange schemes

We have introduced a new requirement in relation to any part-exchange scheme offered to ensure it is fair, transparent, and not used to pressure a sale. You should be particularly mindful of the needs of consumers who may be vulnerable.

Reservation Agreements

Reservations now include a 14-calendar day cooling off period. Reservation agreements must now include more detail about certain costs and should be accompanied by a more comprehensive suite of information. The Code's [sample reservation agreement](#) has been updated to reflect this.

Legal Completion

Home buyers now have the right to undertake a pre-completion inspection and identify any snags which should be resolved prior to legal completion. Within the Guidance, we have qualified that the inspection should be non-disruptive and non-invasive and should assess fixtures, fittings and services by way of checks comparable with normal daily use.

After-sales Service and Defects Resolution

You must allow home buyers to employ a professional adviser to complete the inspection should they choose to, and if so, you and your agents should cooperate with the appointed adviser to allow the inspection to be completed and appropriate action taken to address defects.

Complaints and Disputes

New requirements detailed in section 5.2 of the Code clearly set out what should be included in your complaints procedure. These include set timescales by when customers can expect to receive a response to their complaint and examples of the type of content the response should contain.

Independent Dispute Resolution Scheme (IDRS)

The maximum amount that can be claimed through the IDRS has risen to £50,000 for homes reserved after 1 January 2024. An adjudicator may make a discretionary award for inconvenience up to a maximum of £2,000. The £50,000 maximum award includes any award for inconvenience.

More details about the IDRS are available on [our website](#).

Although unrelated to the Code Review, the Centre for Effective Dispute Resolution (CEDR Ltd), which provides our IDRS, has increased its fees for handling cases effective from 1 Jan 2024. Early settlement fees will be charged at £150 plus VAT per case and formal adjudications will be charged at £500 plus VAT per case.



Training overview

Code compliance training has been updated to reflect the fifth edition of the Code. This includes a more detailed explanation of the consumer protection regulations and how you can make sure you stay compliant with consumer laws.

Training is free for builders covered by our Code and is also available to sales agents and conveyancers/solicitors. The [online training is accessible here](#) and is designed for staff who need to have an understanding of the Code.

The course takes no longer than an hour to complete and is a process of individual learning and self-accreditation, leading to a certificate of achievement if successfully completed.

No advance preparation is necessary as the training provides all the tools/resources needed and allows users to go at their own pace.

A unique feature of the training is the combination of training about the Code Requirements alongside training about Consumer Protection Regulations which apply to property transactions and which have a clear synergy with the Code.

Updated training should be completed by all customer-facing staff before the revised Code is implemented on 1 Jan 2024 and refreshed annually.

We encourage you to display the completion certificate in your sales offices to help demonstrate your commitment to customer service and compliance with the Code.

A revised Train the Trainer package is currently being developed and is due to be available by 1 Jan 2024. To register your interest, please email secretariat@consumercode.co.uk.



Protection for new-build home buyers

Consumer Code Check List

for Home Builders and Selling Agents

The Consumer Code for Home Builders (the Code) applies if you are a builder or sales agent of a new home covered by an NHBC, Premier Guarantee, LABC Warranty or Checkmate warranty, unless you have activated membership with another code approved by your home warranty body.

The following checklist is designed to help you comply with the Code. Full Requirements and detailed guidance can be found on our website at: <https://consumercode.co.uk/resources/#home-builders>

At all times, you must consider the needs of customers who are vulnerable.

Point of Sale Requirements	✓
Do you have a procedure/system in place to ensure that all Selling Agent working for your company complies with the Code?	<input type="checkbox"/>
Is the Code readily accessible to Customers? Have you considered the customer's vulnerability? Do you use any software applications you use?	<input type="checkbox"/>
Have you prominently displayed the Code in your office and in your sales brochures and incorporated into your website and other sales material?	<input type="checkbox"/>
Have you trained your sales staff or those employed by selling Agents about their responsibilities under the Code?	<input type="checkbox"/>
Is your sales and advertising material clear and truthful and compliant with all relevant legislation?	<input type="checkbox"/>
Have you declared any commission received for recommending certain products or services where appropriate?	<input type="checkbox"/>

Pre-contract Information	✓
Do you have the following information available for those who wish to Reserve a Home?	
1. A written Reservation Agreement compliant with the Code	<input type="checkbox"/>
2. An explanation of the cover provided by the Home Warranty and contact details of the Home Warranty body providing it	<input type="checkbox"/>
3. A description of any management services/charges that will apply, an estimate of the costs and how they will be administered	<input type="checkbox"/>
4. The nature and method of assessment of any event fees such as transfer fees or similar liabilities	<input type="checkbox"/>

Sample Reservation Agreement

All outlined fields are mandatory

*Subject to contract/Missives being concluded

Vendor's details

Organisation name / legal title:

Telephone:

Address:

Fax:

Email address:

Web site:

Plot and reservation details

Development Name:

Dwelling type:

with garage/parking space:

Plot number:

Plot address:

Price:

Price remains valid until date:

Reservation date:

Anticipated build completion timing:

*Contract to be exchanged by/
Missive to be concluded by:

Reservation remains valid until:

Reservation fee:

Stage of construction at reservation date:

Cancelled after 14 calendar days, most retention will be between £ and £

Tenure (n.b. not applicable in Scotland)

Lease terms: years

Initial ground rent: £ per year

Buyer 1 details

Name:

Address:

Town:

Postcode:

Town:

Postcode:

Telephone:

Telephone:

Email address:

Email address:

Buyer's solicitor details

Name of firm:

Address:

Town:

Postcode:

Telephone:

Email address:

Vendor's solicitor details

Name of firm:

Address:

Town:

Postcode:

Telephone:

Email address:

Mortgage provider details

Name of firm:

Address:

Town:

Postcode:

Telephone:

Email address:

Warranty provider details

Name of provider:

Web site:



Your guide to effective complaint handling

A Complaint is defined in the Code as 'an expression of dissatisfaction about an issue brought to the builder's attention by the buyer' either verbally or in writing. In the Fifth edition of the Code, we have set out more detailed requirements for complaints handling including response times, to help ensure buyers' concerns are quickly addressed. Full details are contained in [section 5.2.4](#), and include that:

- Complaints will be acknowledged in writing within five working days of the complaint being made.
- A more detailed response will be provided within 20 working days. Where applicable, the response should include one or more of the following:
 - an acceptance of the complaint and the action that will be taken to resolve the issue,
 - an estimated timescale for the work required to resolve the issue(s) raised, or
 - a rejection of the complaint with the reasons behind the rejection, or
 - details of any further investigation work necessary to determine whether the complaint will be accepted or rejected, including timescales, and/or
 - that a written final response will be provided as soon as possible after any further investigation has been carried out, which must include whether the complaint is accepted in part or in full and the reasons why
- If the complaint becomes a dispute, the buyer may refer it direct to the Independent Dispute Resolution Scheme or the Home Warranty Body (or both) as appropriate.

How you handle complaints can make a big difference to the outcome - in some cases, even enhancing customer satisfaction if an issue is handled well. In addition to the specific requirements and guidance included in the Code, we've put together a short guide of other aspects to consider which can help you handle complaints effectively. These suggestions can help your customers feel heard, ensure problems are identified and resolved, and encourage lessons to be learned.

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Be open and transparent

Be open with your customers about their right to make a complaint, how you will respond and what options are available to them if they want to take their complaint further. The Code requires you to give your buyers a copy of your complaints procedure and to make it available on your website.

Include a copy of the Code and a link to our [Independent Dispute Resolution Scheme](#), as well as details of the relevant home warranty complaints process.

All customer-facing staff should be familiar with your complaints process and how to signpost customers to the relevant information.

Provide a clear process

Your complaints policy should be clear, easy to follow and written in plain English. Include guidance on how to make a complaint, where to send it, what information to include, and how quickly customers can expect a response. This information should be readily accessible for home buyers and should be included with their Reservation Agreement, as well as being published on your website.

If you're unsure whether the concern should be treated as a complaint, ask the home buyer. Listen to what they have to say, acknowledge the issues they are raising and ask if they would like the matter to be raised via your complaints process. Take time to understand the root cause of any concerns which will help you provide the right solutions.

At all times you must be mindful of circumstances that may make your customer more vulnerable. This could be as a result of a health condition or disability, a lack of previous experience of buying a home, or a vulnerability caused by outside pressures such as divorce or bereavement. Handle concerns and complaints sensitively and find out whether your customer has any specific needs that should be considered throughout the complaints process. Further guidance is provided in [section 1.6 of the Code](#).

Acknowledge and understand the complaint

Complaints often escalate into more serious disputes due to a lack of communication or information being misunderstood. Acknowledge complaints as quickly as you can and certainly within five working days of receipt. Seek additional information where needed so you are clear about your home buyer's main concerns.

If the complaint is lengthy or complex, it's often a good idea to meet or speak to your customer over the phone to understand the main issues of concern, but always follow up verbal conversations in writing (email or letter) to note what was agreed and reduce the risk of misinterpretation. Be prepared to tailor your approach based on the specific needs of the individual or the situation.

Be realistic about timescales for response based on the complexity of the enquiry. If you're unable to provide answers straightaway, give a holding reply to let customers know that you're working on their complaint and when they can expect to hear more. The Code sets out that buyers can expect a more detailed response within 20 working days of a complaint being made.

Be realistic about timescales for response based on the complexity of the enquiry...The Code sets out that buyers can expect a more detailed response within 20 working days of a complaint being made.

Resolve the complaint

The most important aspect of a successful complaints policy is resolving the issue raised, which means building a clear picture of the problem, explaining how and when you will resolve it, and implementing what you've promised. This may include doing an internal investigation, sourcing input from subcontractors, and/or arranging remedial works.

The nature of the complaint will affect your response but it's important to acknowledge your customer's frustrations, take responsibility for any failings in service, apologise and set out how you will put things right. Keep your customer informed throughout and follow up once the issue has been resolved to check they are happy with the outcome.

There may be times when you don't agree with the customer's point of view or your investigation shows no evidence of any wrongdoing. In these circumstances, it is particularly important to acknowledge the customer's frustrations, be clear about the thoroughness of your investigation and explain your conclusions clearly and fairly. You must also include information on options available should your customer wish to take the matter further, including raising the dispute with the home warranty body and the Code's IDRS. Don't forget, the Code requires you to make it clear that using your complaints process or the IDRS, does not affect the buyer's normal legal rights.

Learn from mistakes

All feedback, including complaints, provides opportunities to improve. Track the complaints you receive and share any lessons learned with your wider team to help continuously improve your service.

Keep an eye on the regularly updated resources and blogs on the Code website, including our [Right First Time factsheets](#) based on lessons learned from previous complaints and independent site audits across the UK.

How you handle feedback and complaints can help to improve customer satisfaction and build trust. By providing a clear, accessible process, responding promptly, and keeping the customer informed as you resolve issues, you will build more positive customer relationships and strengthen your compliance with the Code.



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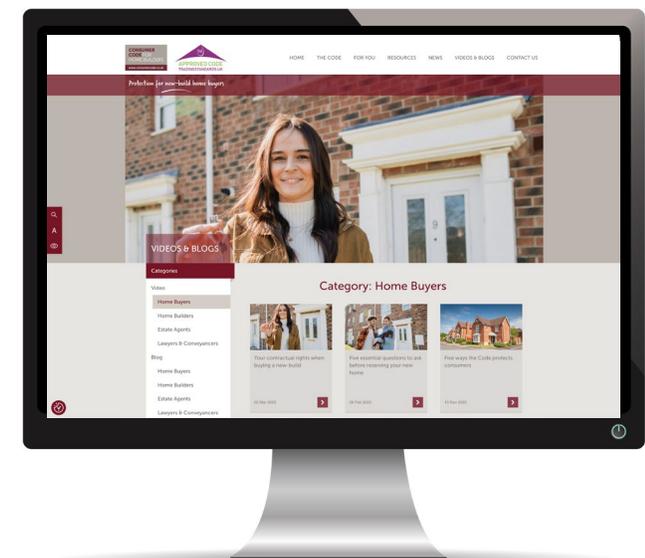
Promoting your Code commitment

Displaying the Code logo is a requirement of the Code and can also help enhance your marketing.

As a Chartered Trading Standards Institute Approved Code, all builders who comply with our Code can use the combined Consumer Code for Home Builders and CTSI Approved Code logo to give confidence to home buyers that they will be treated fairly and have access to additional protection and support if things go wrong.

You can also showcase your commitment to customer service by:

- Including a section on your website about how you support customers, backed up by your commitment to the Code scheme.
- Sharing the Code's [explainer videos](#) on your website and social media, showing you're proud to promote good customer service.
- Celebrating when your staff complete their Code training - put certificates on display in your offices and share updates on social media.
- Including the Code in your sales packs so every home buyer knows straightaway what help is available.



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Becoming Code 2024 ready

As we approach the implementation date for the Fifth Edition of the Code, we will be promoting actions builders need to take to become '#Code2024ready' on our website and social media.

Get involved in the campaign and share your journey to becoming Code 2024 ready as you update your processes, training and sales literature. Follow the latest updates and use the graphics* below to join in the journey on [LinkedIn](#) and [X \(formerly Twitter\)](#).

Here's some examples of messages to share on social:

- 'We're Code 2024 ready www.consumercode.co.uk'
- 'Proud to be #Code2024ready'
- 'We're getting ready for Code 2024'
- 'Strengthening protection for new-build home buyers'
- 'I've completed my #Code2024 training'

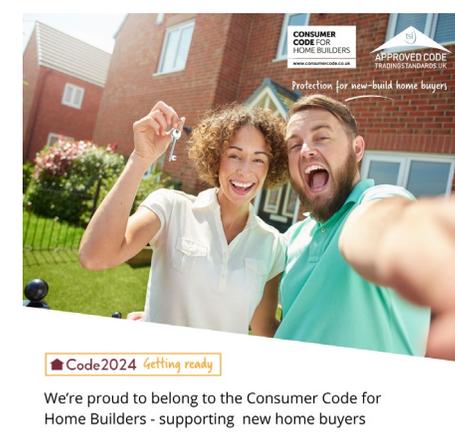
Main version
(click to download)



Alternative format
(click to download)



Example social media visuals:



Don't forget to tag us in your posts so we can like and share.

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[@TheCode_CCHB](#)



[@Consumer-Code](#)

*Please note that these graphics should only be used in conjunction with updating your processes and training to showcase your readiness for the new Code requirements in the Consumer Code for Home Builders Fifth Edition, 1 January 2024



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