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CENTRE for EFFECTIVE  
DISPUTE RESOLUTION

## THE CONSUMER CODE FOR HOME BUILDERS

# INDEPENDENT DISPUTE RESOLUTION SCHEME (IDRS)

The Consumer Code for Home Builders (the Code) is an industry-led code of conduct for builders, which was developed to make the home buying process fairer and more transparent for purchasers. The Code, which came into effect in April 2010, applies to all home builders registered with the UK's main new home warranty providers; NHBC, Premier Guarantee and LABC Warranty, and consists of 19 requirements and principles that home builders must meet in their marketing and selling of homes and their after-sales customer service. The Code is now in its fourth edition, which came into force in April 2017.

Under the Code, home builders are required to have a system for dealing with complaints. However, if a home buyer is not happy with their response, they should contact the home warranty provider within three months of the date of the home builder's final response to the original complaint. The home warranty body will either deal with the complaint under the terms of the warranty or provide the home buyer with an application form and a set of the Independent Dispute Resolution Scheme (IDRS) rules so that the complaint can be referred to independent adjudication.

IDRS is provided independently by Centre for Effective Dispute Resolution (CEDR) for resolving disputes between Home Builders and Home Buyers covered by the Code. The scheme can consider a dispute arising from anything a Home Builder does or does not do that the Home Buyer thinks is a breach of the Code and which may have caused the Home Buyer disadvantage or financial loss. A Home Buyer can make a claim for up to £15,000, including any consequential damages and VAT. This also includes any amount for inconvenience, which is limited to £500 per claim.

An independent, experienced Adjudicator will make a Decision on disputes by considering written evidence received by the parties. The Adjudicator's Decision will become binding on a Home Builder if the Home Buyer tells the administrator that they accept the Decision. If a Home Buyer rejects the Decision or does not tell the administrator that they have accepted the Decision within six weeks, the Decision will not take effect and will not be binding on either party.

# FACTS & FIGURES

## Caseload

This report covers the period 1 January 2018 to 31 December 2018. During this period, a total of 106 cases were referred to IDRS, an increase of 19% on the amount of cases referred to the Scheme in 2017. This represents a return to the trend of yearly growth in the total amount of disputes referred to the Scheme, following the reduction in volumes observed in 2017. It remains to be seen whether the decrease in case volumes in 2017 was an anomaly, or indicative of a more general trend towards fewer disputes.

2018 has also been the year in which the highest amount of cases were referred to the Scheme, slightly more than the 102 disputes referred in 2016.

It is important to note that, during the period covered by this report, a total of 192,090 new homes were completed in the UK, a figure 7.7% higher than the 178,360 new homes completed in 2017. The increase in the amount of disputes referred to the Scheme between 2017 and 2018 can therefore be explained in part by the increase in the number of new homes that were completed.

The cases referred to the Scheme in this reporting period can be broken down as follows:

	2018	2017	2016	2015	2014	2013	2012	2011	2010
Number of cases found fully in favour of the Home Buyer	7	5	7	3	1	0	1	0	1
Number of cases found partly in favour of the Home Buyer	65	47	59	43	21	10	5	6	0
Number of cases found fully in favour of the Home Builder	23	25	20	5	10	9	8	6	0
Number of cases settled	5	5	8	6	6	0	1	0	0
Number of cases withdrawn from the Scheme or deemed invalid	6	7	8	9	5	3	2	2	2
<b>TOTAL CASES</b>	<b>106</b>	<b>89</b>	<b>102</b>	<b>66</b>	<b>43</b>	<b>22</b>	<b>18</b>	<b>14</b>	<b>3</b>

## Case outcomes

2018 has continued the trend of previous years of a high proportion of Home Buyers being successful in their claims against Home Builders. Of the 106 cases dealt with by the Scheme in 2018, Home Buyers achieved a positive outcome (ie. a decision either fully or partly in their favour, or a settlement reached by agreement with the Home Builder) in 77 of them (representing 73% of cases). This is a notable increase from the 64% of Home Buyers who obtained a positive outcome in 2017, and is a return to the same proportion of positive outcomes for Home Buyers as in 2016, when the figure was also 73%. This confirms that the overwhelming majority of Home Buyers continue to achieve a positive result from their engagement with the Scheme.

When considering the 95 cases that went all the way to a final decision from an adjudicator in 2018, adjudicators found in favour of the Home Buyer (either fully or partly) in 76% of decisions. This is an increase from the 68% of decisions found in Home Buyers' favour in 2017. Furthermore, 7 of the 95 decisions made by adjudicators in 2018 succeeded in full for the Home Buyer - meaning the adjudicator gave the Home Buyer everything they asked for. This matches the highest amount of decisions made fully in the Home Buyer's favour from 2016. Therefore, although Home Buyers are rarely awarded everything that they ask for from a Home Builder, the vast majority of Home Buyers do continue to obtain a positive outcome from the Scheme.

## Settlements

Rule 4.4 of the Scheme Rules allows the Home Buyer and the Home Builder to reach a settlement by mutual agreement before an adjudicator is appointed to make a decision. Where a settlement is reached, the Home Builder pays a reduced administration fee to the Scheme.

In 2018, five cases (representing nearly 5% of all cases dealt with) were settled between the parties prior to the appointment of an adjudicator. This continues a trend of a reducing proportion of disputes being resolved by mutual agreement between the parties once the Home Buyer has decided to refer their dispute to the Scheme.

## Withdrawn and invalid cases

A total of six cases were withdrawn or were deemed to be invalid (ie. outside the scope of what the Scheme can deal with) in 2018.

Of the six cases that did not proceed to adjudication:

- Three were withdrawn because the Home Builder against which the claim was brought was not registered with a home warranty body, which brought the dispute outside the scope of the Code and the Scheme;
- One was withdrawn as the Home Buyer had not made an initial complaint to the Home Builder before applying to the Scheme;
- One was withdrawn because the applicant had not fully completed the application form and failed to remedy this after being requested to do so;
- One was withdrawn as the Home Buyer had applied to the Scheme more than three months after the date of the Home Builder's final response to the original complaint (which is prohibited by Scheme Rule 3.1).

## Alleged and identified breaches of the Code

Where a Home Buyer alleges in their application to the Scheme that a particular part of the Consumer Code for Home Builders has been breached, the most commonly alleged sections are 2.1 (ie. pre-purchase information), 1.5 (ie. clear and truthful sales and advertising material), 5.1 (ie. procedures for handling calls and complaints), and 4.1 (ie. an accessible after-sales service). These have consistently been the most commonly alleged breaches of the Code since the Scheme began operating.

It had been noted in the 2017 annual report that the number of disputes about Home Builders' failure to reimburse a reservation fee (under Code Section 2.6) had fallen dramatically from 22 cases in 2016 to just 9 cases in 2017. This figure has now increased to 18 cases in 2018.

Of the 72 decisions in which an adjudicator found the Home Builder to have breached the Code during 2018, the most common sections of the Code found to have been breached were:

- 2.1: a total of 18 decisions (25%) identified a breach of the Home Builder's duty to provide the Home Buyer with enough pre-purchase information to help them make a suitably informed purchasing decision;
- 5.1: a total of 12 decisions (17%) identified a breach of the Home Builder's duty to provide appropriate procedures for handling calls and complaints;
- 2.6: a total of 9 decisions (13%) identified a breach of the Home Builder's duty to reimburse the Home Buyer's reservation fee upon the cancellation of the reservation agreement;
- 1.5: a total of 7 decisions (10%) identified a breach of the Home Builder's duty to ensure that sales and advertising material is clear and truthful.

## Money claims

In 2018, the Home Buyers who applied to the Scheme claimed a total combined sum of £694,540.02. This is an increase of 25% on the total amount claimed by Home Buyers in 2017, and returns the total sum claimed to almost the same figure as in 2016. This can be explained by the 19% increase in case volumes in 2018 when compared to the previous year.

The average sum claimed by Home Buyers in 2018 was £7310.95. This is an extremely small increase from the average of £7219.40 claimed in 2017, indicating that although the total sum claimed has increased, this does not reflect a significant increase in the sum being claimed per case.

	TOTAL SUM CLAIMED	TOTAL SUM AWARDED
2018	£694,540.02	£64,984.63
2017	£555,893.98	£77,043.06
2016	£695,012.57	£65,108.42
2015	£584,514.46	£93,456.78
2014	£304,899.93	£48,832.52
2013	£133,845.40	£26,512.47
2012	£139,615.30	£4,680.00
2011	£70,023.92	£18,205.70
2010	£5,000.00	£5,000.00

Although the total sum claimed by Home Buyers increased in 2018, the total sum awarded to Home Buyers by adjudicators decreased by 16% to £64,984.63. This is because the average amount of compensation awarded by adjudicators in cases where the Home Buyer's claim was successful was just £902.56. This is the lowest average sum awarded in the history of the Scheme, and continues the trend that has been noted in previous reports of reducing average awards of compensation. As Home Buyers are being awarded decreasing sums of compensation despite claiming increasing amounts, this may indicate that Home Buyers' have unrealistic expectations of the financial awards that they may obtain by using the Scheme.

There were 16 decisions made by adjudicators in 2018 in which the Home Buyer was awarded more than £1000.00. This is an increase from the 12 decisions in 2017 in which this occurred. Of these 16 decisions, three were for £5000.00 or more. Notably, no Home Buyers were awarded the highest possible amount of £15,000.00 in 2018, which occurred in one case in 2017. At the other end of the scale, 14 decisions awarded the Home Buyer £250.00 or less. In comparison with the previous year, 2018 had a lower proportion of very high monetary awards, and a higher proportion of lower awards. This accounts for the lower total and average sums awarded by adjudicators in 2018 when compared with 2017.

## Accepted or rejected

Any decision made by an adjudicator through the Scheme will only be binding on the parties if the Home Buyer chooses to accept it within six weeks of its publication. Where a Home Buyer chooses to reject a decision, or where a Home Buyer fails to respond within six weeks of the decision being made, the decision has no effect whatsoever on either party. Decisions are not open to review or appeal under any circumstances.

Below is a breakdown of the cases that have been accepted, rejected and not responded to by Home Buyers:

	2018	2017	2016	2015	2014	2013	2012	2011	2010
Decision accepted	61	42	51	42	19	8	6	7	1
Decision rejected	21	27	17	6	11	6	5	3	0
No response	13	8	18	3	2	5	3	2	0

In 2018, 64% of decisions were accepted by Home Buyers, which is a significant increase from the 55% of decisions accepted in 2017, and represents the highest proportion of accepted decisions since 2015. This shows that, despite Home Buyers receiving a lower average sum of compensation than ever before, an increasing amount of Home Buyers are accepting the decisions reached by adjudicators.

12 cases were dealt with in 2018 where the adjudicator found the Home Buyer's claim to be successful, but the Home Buyer did not accept the decision and therefore lost out on the redress awarded by the adjudicator. As noted in previous years, this most often occurs where the redress awarded by the adjudicator has been a very small fraction of that sought by the Home Buyer. As illustration, in 9 of these 12 cases the Home Buyers chose not to accept a decision in which they were awarded £500.00 or less while they had claimed £15,000.00, being the maximum amount that can be claimed through the Scheme.

There were no instances this year of Home Buyers rejecting decisions where they were awarded significant sums of compensation. All of the decisions in which adjudicators awarded at least £1000.00 were accepted by Home Buyers.

Unlike the previous two years, there was one decision in 2018 which was accepted by the Home Buyer where the adjudicator found the claim to be unsuccessful.

## Service statistics

Of the 95 cases from 2018 that went to adjudication, 71 of them (representing a total of 75%) were completed within 8 weeks of the date on which the Home Buyer's application was received.

This is an increase from 2017, but 24 cases were still completed more than 8 weeks after the Home Buyer's application was received. However, this can be explained by the introduction in October 2018 of a new process by which the appointed adjudicator prepares and issues a 'Proposed Decision' containing their preliminary conclusions on the dispute, which both parties have 10 working days to provide their comments on, and then the adjudicator has a further 5 working days to finalise and issue their Final Decision. This process has added an additional three weeks to the case process, and means that in the long term the time required for completion of a case will be longer than in previous years. Of the 24 cases completed outside 8 weeks, 11 of these were because they were carried out under the 'Proposed Decision' process.

Of the 13 cases received prior to October 2018 which took more than eight weeks to complete, the reasons for these delays are as follows:

- Five cases were late due to the adjudicator being unable to complete the final decision due to scheduling difficulties.
- Four cases were late due to the adjudicator granting one or both of the parties an extension of time to make submissions or provide evidence.
- Three cases were late because they contained a particularly high volume of documents and information, which took the adjudicators longer than usual to analyse and render a final decision.
- One case was late as the adjudicator requested further information from the parties before a final decision could be reached.

It must be highlighted that none of the cases dealt with during 2018 exceeded the statutory timeframe of 90 calendar days mandated by the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 for all consumer dispute resolution schemes in the UK.



# CASE STUDIES

Since 2015, our Annual Report has contained a selection of interesting and novel case studies from the total amount of cases the Scheme has dealt with. For the 2018 Report, the following ten case studies have been selected from the 95 disputes that went to adjudication:

## ADJUDICATION CASE 1

### COMPLAINT

The Home Buyers submitted that the Home Builder had breached sections 1.4, 1.5, 2.1 and 5.2 of the Code. Specifically, the Home Buyers stated they were not advised that there were plans for a bus stop to be placed outside their property. The Home Buyers asserted that this decreased the value of their property. The Home Buyers therefore claimed an apology, an explanation, for the Home Builder to move the bus stop or provide compensation in the amount of £15,000.00 for devaluing the property and moving costs.

### DEFENCE

The Home Builder accepted that it failed to comply with its own complaints procedure by failing to respond in full to the Home Buyers' complaint and apologised for this. However, it did not accept any further liability to the Home Buyers. Specifically, the Home Builder submitted that the Home Buyers' claim for compensation for loss of value of their Property is not within the remit of the Scheme. Furthermore, and in any event, there was no evidence that the Home Buyers had incurred any actual loss as a result of a bus stop being placed outside their Property. The Home Builder submitted that the placement of a bus stop outside the Home Buyers' Property did not specifically breach any element of the Code and it cannot lawfully change the placement of the bus stop. It did nonetheless engage with the local authority on the Home Buyers' behalf to see if the bus stop could be moved.

### FINDINGS

Based on a full review of all the evidence provided, the adjudicator concluded that a breach of the Code on the part of the Home Builder had been established. However, the adjudicator was not satisfied that the nature and extent of the established breach warranted the full redress claimed by the Home Buyers. Taking into account the nature and extent of the Home Builder's breach of the Code, the adjudicator found it fair and reasonable that the Home Builder provided the Home Buyers with a written apology.

### DECISION

The Home Buyers' claim succeeded in part and the Home Builder was directed to provide the Home Buyers with a written apology and to reimburse the registration fee.

## ADJUDICATION CASE 2

### COMPLAINT

The Home Buyer's claim is that the Home Builder failed to notify her of a change to the location of the boiler in the property.

The Home Buyer sought compensation in the total of £8,770.00 comprising of £8,400.00 compensation; £250.00 for inconvenience caused; and £120.00 as a reimbursement of the case registration fee.

### DEFENCE

The Home Builder denied liability.

### FINDINGS

The Home Builder failed to give the Home Buyer sufficient and reliable information about the position of the boiler prior to purchase. There was also no evidence to show that the Home Builder notified the Home Buyer of updated plans for the boiler location either before or after contract exchange. The Home Builder breached sections 2.1 and 3.1 of the Code.

### DECISION

The claim succeeded in part. Although the Home Buyer did not provide evidence to substantiate the claim for compensation in the sum of £8,400.00, the Home Buyer was entitled to the £250.00 requested for inconvenience. The Home Builder was also directed to reimburse the Home Buyer the sum of £120.00 to cover the cost of the case registration fee.

## ADJUDICATION CASE 3

### COMPLAINT

The Home Buyer complained that the Home Builder had failed to supply a reservation agreement and had wrongfully stated that the reservation fee of £5000.00 was non-refundable. Completion was delayed for 6 months and was causing the Home Buyer financial loss so he withdrew from the transaction. The Home Builder did not repay the reservation fee. The Home Buyer therefore claimed the reimbursement of the reservation fee in the sum of £5000.00.

### DEFENCE

The Home Builder stated that instead of a reservation agreement there was a contractual agreement for a non-refundable deposit, and that the Home Buyer had not signed the reservation agreement. If there was a reservation agreement the Home Builder was entitled to deduct the cost of implementing the Home Buyer's choices for the building finishes which exceeded £5000.00. Moreover, there was no fixed completion date and the date had been delayed by the Home Buyer's choices and additional drainage requirements imposed by the local authority.

### FINDINGS

The adjudicator found that there was a valid reservation agreement. The Home Builder's agent confirmed the payment of a reservation fee and there was no evidence of a contract for a non-refundable deposit. On a proper interpretation of the Code including its purposes, paragraph 1 of the introduction to the Code included a situation where the Home Buyer had not signed the reservation agreement because the Home Builder had failed to require him to do so in breach of the Code. The Buyer was entitled to repayment of the amount of the reservation fee and the Home Builder had not identified legitimate deductions. The Home Buyer was thus entitled to repayment in full.

As for the delay to completion, although there had been some factors which may have contributed to delay, the fact that the delay was 6 months meant that the Home Builder had not realistically estimated the completion date. Accordingly, there were breaches of section 2.6 and 3.2 of the Code.

### DECISION

The claim succeeded in full. The Home Buyer was entitled to payment of £5000.00 and reimbursement of the registration fee of £120.00.

## ADJUDICATION CASE 4

### COMPLAINT

The Home Buyer's claim is that he had no option but to pull out of the sale of the Property due to significant changes in design and severe delays by the Home Builder with paperwork. However, the Home Builder had not refunded the reservation fee.

The Home Buyer sought compensation in the total sum of £1,258.00 for a refund of the reservation fee and additional out-of-pocket expenses. The Home Buyer also requested an apology and an unspecified amount of compensation for stress.

### DEFENCE

The Home Builder did not submit a Defence.

### FINDINGS

The Home Buyer cancelled the reservation agreement as he was entitled to do under the Code. No evidence had been submitted to show that the Home Builder incurred any reasonable expenses for processing and holding the reservation and was therefore entitled to withhold any part of the reservation fee.

### DECISION

The claim succeeded in part. The adjudicator directed that the Home Builder (1) refund the £500.00 reservation fee; (2) pay the Home Buyer compensation in the sum of £250.00 for inconvenience; (3) provide the customer with a written apology; and (4) reimburse the Home Buyer the sum of £120.00 to cover the cost of the case registration fee.

## ADJUDICATION CASE 5

### COMPLAINT

The Home Buyers' principal complaint was about the delay between reservation and completion. They claimed that they had been given inconsistent and inaccurate information about the expected completion date and that the Home Builder had no proper system for dealing with their complaint. The Home Buyers claimed £500.00 for inconvenience and the costs of storing furniture.

### DEFENCE

The Home Builder filed a number of documents with no narrative or explanation. The adjudicator treated the Builder's response in general as a denial, although the failure to respond was in certain instances noted.

### FINDINGS

The adjudicator found that the Home Builder had given inconsistent information about the completion date with the consequence that there was a very long delay between the date first given (September 2017) and the completion (May 2018). There had also been failures to respond to the Home Buyers' complaint which gave rise to the inference that it had no proper procedures for dealing adequately with complaints. It also was not clear that an explanation of the procedures had been given.

### DECISION

The claim succeeded in part. The Buyers were awarded £500.00 for inconvenience but were not awarded compensation equating to furniture storage costs because they had moved into a family home to save rent which they said they would not otherwise have done. As the papers suggested that the rent would have been more than storage charges, they had not shown that they had suffered a loss. The Builder was also directed to make an apology and refund the registration fee.

## ADJUDICATION CASE 6

### COMPLAINT

The Home Buyer stated that the reservation agreement indicated an estimated annual service charge, but post-completion the Home Buyer was invoiced an actual service charge over 60% higher. The Home Buyer alleged that the Home Builder had not acted fairly, as it had provided inaccurate and unreliable information, which had misled and financially disadvantaged the Home Buyer. The Home Buyer sought an apology and compensation of £15,000.00.

### DEFENCE

The Home Builder denied liability, on the basis that it had provided estimates of the service charges, it had made the Home Buyer aware that he would have to contribute to the building's insurance and the Home Buyer's conveyancing solicitors had not sought additional information on the service charge or the insurance costs. The Home Builder maintained that the Home Buyer's alleged losses were not related to a breach of the Code and could not be awarded under the Scheme.

### FINDINGS

The adjudicator found that the information should have been fair and reliable. However, it was not. This was because the total figure for the actual service charge invoiced was more than 60% higher than the estimate. Irrespective of how the elements constituting the estimated service charge were made up, what mattered to the Home Buyer, and which he was entitled to rely on, was the global estimate. Overall, there was a breach of section 2.1 of the Code by the Home Builder.

### DECISION

The claim succeeded in part. The adjudicator directed the Home Builder to apologise and to pay the Home Buyer £250.00 for the inconvenience caused. The Home Buyer's registration fee was also reimbursed.

## ADJUDICATION CASE 7

### COMPLAINT

The Home Buyers stated that the Home Builder provided them with inferior quality sink and taps to the downstairs cloakroom. Additionally, the Home Buyers stated that the Home Builder failed to provide a yard gully under their outside tap as per the site specification. For these reasons the Home Buyers asserted that the Home Builder breached section 2.1 of the Code.

The Home Buyers requested the Home Builder to pay for remedial work to the downstairs cloakroom, fit a yard gully beneath the outside tap, refund the cost of the application fee and pay compensation.

### DEFENCE

The Home Builder submitted that it had already defended the Home Buyers' claim in relation to the downstairs cloakroom and therefore it did not consider any further defence to be required. The Home Builder asserted that it has the right to make minor amendments to its specification and that the Home Buyers signed the pre-reservation checklist that details that right. The Home Builder also stated that the yard gully was not required by building regulations.

### FINDINGS

In relation to the downstairs cloakroom, it was decided that the Home Buyers had not provided sufficient information to substantiate their claim. In particular the specification provided to the Home Buyers at the pre-reservation stage had not been provided. The site specification was found to have been provided to the Home Buyers after purchase of the Property.

In relation to the yard gully the adjudicator accepted the statement made by the Home Builder that installation of a yard gully was not a requirement under building regulations. Additionally, the Home Buyers did not provide any information to demonstrate that during the pre-reservation, reservation and pre-contract periods he was advised that a yard gully would be provided.

Therefore, the adjudicator found that the Home Builder did not breach section 2.1 of the Code.

### DECISION

The adjudicator found that the claim did not succeed. Therefore, the Home Builder was not liable to compensate the Home Buyers or provide any other remedy or reimburse the Home Buyer's registration fee.

## ADJUDICATION CASE 8

### COMPLAINT

The Home Buyer complained that the Home Builder had not informed her that she would have a drainage hole on her drive which also served the neighbour's property and for the upkeep of which she would be responsible. She claimed a breach of section 2.1 of the Code, and claimed compensation.

### DEFENCE

The Builder asserted that there was no breach because the Home Buyer had been shown a plan illustrating the yard drain on her property.

### FINDINGS

The adjudicator found that the Home Buyer had indeed been shown a plan showing a yard drain prior to signing the reservation agreement. The Home Builder had therefore complied with section 2.1 of the Code and, while this plan had not been passed on to the Home Buyer's solicitors, the Code did not require this.

### DECISION

The adjudicator found that the claim did not succeed.



## ADJUDICATION CASE 9

### COMPLAINT

The Home Buyer submitted that there were many remaining faults with the home on completion day, although nearly all have now been fixed. The remaining issue was with the wet room in the Property, as the walls were not tanked before tiling and the gradient of the floor was incorrect. The Home Builder's solicitor agreed to make these changes, and in reliance on these statements the Home Buyer completed the purchase of the Property. The Home Builder did not subsequently carry out the promised works to the wet room.

### DEFENCE

The Home Builder submitted that it had apologised to the Home Buyer for failing to meet her expectations, and had agreed to fix the gradient on the floor, fit UPVC door facings, replace the threshold, and finish tiling to the ceiling around the rest of the area in the wet room. It stated that while the Home Buyer may have had additional expectations about the wet room in the Property, these were not expectations that the Home Builder was required to meet. The Home Builder stated that it had complied fully with the Code.

### FINDINGS

The adjudicator found that the Home Builder breached Sections 1.1 and 2.1 of the Code by failing to provide sufficient pre-purchase information and by failing to fulfil statements made by its solicitor on which the Home Buyer relied when deciding to purchase the property.

### DECISION

The claim succeeded in part. The Home Builder was required to complete the wet room in the property in accordance with the statements made by its solicitor and to pay compensation of £200.00 for the inconvenience caused. The Home Buyer's registration fee was also reimbursed.

## ADJUDICATION CASE 10

### COMPLAINT

The Home Buyers submitted that the Home Builder had breached section 3.1 of the Code. Specifically, the Home Buyers asserted that the Home Builder constructed the roof of the Property with a parapet. The Home Buyers submitted that they were not advised of this and that it was unsightly in appearance. They indicated that they would not have proceeded with the purchase of the Property had they known about the parapet. The Home Buyers therefore sought an apology, an explanation, for the Home Builder to remove the parapet with a roof redesign and compensation in the sum of £15,000.00.

### DEFENCE

The Home Builder did not accept any liability to the Home Buyers. The Home Builder accepted that the roof of the Property was constructed with a parapet and that this was not specifically highlighted to the Home Buyers. The Home Builder submitted that the parapet did not significantly and substantially alter the Property's size, appearance or value. Therefore, it did not need to consult the Home Buyers and obtain their agreement for this issue.

Furthermore, the Home Builder submitted that the Home Buyers only raised this issue four months after they had been living in the Property. Thus, the Home Builder asserted that the parapet was not a significant and substantial alteration to the Property. Accordingly, the Home Builder did not accept the Home Buyers' claims for redress.

### FINDINGS

The adjudicator acknowledged that neither party disputed that the Home Builder constructed the roof of the Property with a parapet and that this decision was not highlighted to the Home Buyers. However, taking into account all the evidence available, the adjudicator was not objectively satisfied that the existence of a parapet significantly and substantially altered the size of the Property, its appearance or value. As such, the adjudicator was not satisfied that the Home Builder has breached section 3.1 of the Code by not formally consulting the Home Buyers to obtain their agreement to this change.

### DECISION

The Home Buyers' claims did not succeed.



Independent Dispute Resolution Scheme

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