



## COMPLIANCE WITH THE CODE DURING THE CORONAVIRUS PANDEMIC

### HOW COMPLIANCE WITH THE CODE MAY BE AFFECTED

(CORRECT AS AT 7 APRIL 2020)

The Consumer Code for Home Builders exists to make the home buying process fairer and more transparent for purchasers. Developers covered by NHBC, LABC Warranty, Premier Guarantee or Checkmate must meet the requirements in the Code which cover pre-sales, contract and after sales service.

This fact sheet explains how those requirements may be affected during the coronavirus pandemic.

### LATEST GOVERNMENT GUIDANCE

The UK Government requires all residents to remain at home except for essential shopping, exercise, medical appointments or to work if they cannot work from home. For the latest guidance, visit: <https://www.gov.uk/coronavirus>.

The Consumer Code for Home Builders expects developers to comply with the guidance which may result in delaying moving dates for some new home buyers:

- [Moving house guidance for England and Wales during the pandemic](#)
- [Moving house guidance for Scotland during the pandemic](#)

# COMPLETION DATES AND CODE BREACHES

**In response to Government guidelines, and to protect the health of staff and customers, most developers have closed their sites or reduced building work significantly. As a result, we expect many completion dates to be affected.**

In normal circumstances, if developers can't complete a house sale on the day planned, the home buyer may be able to bring a claim in relation to a breach of section 3.2 of the Code (timing of construction, completion and handover). This could lead to the possible termination of the contract (Section 3.3 - contract termination rights).

The Code's Independent Dispute Resolution Scheme is operated independently by the Centre for Dispute Resolution (CEDR). CEDR has confirmed that provided a home builder can demonstrate that they adhered to the Government's guidelines, acted reasonably, and kept the home buyer informed, it is unlikely an adjudicator would find a breach of section 3.2. To do so would not be in line with natural justice, or the spirit of the Code.

However, developers must keep home buyers informed about how their sale is affected, preferably confirmed in writing, even where delays are due to Government guidance.

## IMPACT ON MORTGAGE OFFERS

**According to UK Finance, mortgage lenders have agreed to provide those customers who have exchanged contracts the option to extend their mortgage offer for up to three months to enable people to move at a later date.**

We expect developers to keep home buyers informed and to work closely with their customers once restrictions are lifted to help them move in. We will continue to monitor the situation closely and provide further updates as needed.

