



## BENEFITING FROM CODE MONITORING: ADVICE FOR HOME BUILDERS

Regular monitoring is carried out to encourage home builders to adopt the Code and enable the Consumer Code's Management Board to check how well it is being applied.

### THIS MONITORING INCLUDES:

- self-assessment compliance questionnaires
- visits to site sales offices
- visits to the offices of estate agents appointed by developers

## USING SELF-ASSESSMENT TO YOUR ADVANTAGE

Each month, a number of home builders who are registered with the supporting home warranty bodies, are randomly selected to undertake a self-assessment audit to assess their compliance with the Code Requirements. Home builders of varying size, whether building a few homes per year to hundreds of homes, are chosen so that we have a broad cross selection and can monitor how effectively the Code is being applied.

Taking part in our Compliance Survey is a condition of your membership with the home warranty body. But the survey is also a useful health check, designed to help you and your team avoid common errors and reassure you about your compliance with the Code.

Over the course of our monitoring, we have had a number of developers provide feedback saying

[it] "has been a very useful process, and there are a few things I have picked up on which we will [be] taking steps to improve on".

"[it] was a useful exercise"

"thank you for the help and advice, we will now be up to speed with our requirements."

"[it] has come at quite a timely moment as we are about a month away from marketing our next properties so we can ensure the relevant parts of the code are covered with our agent, and conveyancers going forwards"

## IMPLEMENTING IMPROVEMENTS

We've also seen developers make positive changes as a direct result of the questionnaire:

"Stickers are displayed at our sites, however, a minority of sites were not found to be doing so. These sites have been instructed to ensure this is rectified by [date]. All brochures include specific reference to the Consumer Code either as a logo and/or within the text of the brochure. There was one exception at [name]. [Name] have ordered stickers for the brochure and will update the brochure on the next print run."

"We have recently asked all current staff to visit your website and complete the Consumer Code training".

"In future ... we will be adopting a Reservation Agreement based on your sample reservation agreement provided".



# STRENGTHENING COMPLIANCE AMONG SALES AGENTS

Under the Code, even where agents are used to sell new homes to buyers, the home builder remains liable. That means you could find yourself defending a case through the Code's Independent Dispute Resolution Scheme should a home buyer believe the Code has been breached by something said or done by your agent.

## The Code requires that:

- the Scheme logo must be prominently displayed in Home Builders' sales offices and those of appointed selling agents
- home builders ensure agents are trained on the Code and that their responsibilities are clearly explained in their contract arrangements.

However, our self-assessment questionnaire and visits to site sales offices have highlighted that this is not always happening. Those affected are now taking action to fill the gaps:

**Under the Code,  
even where  
agents are used  
to sell new homes  
to buyers, the  
home builder  
remains liable.**

“Going forward we will include [contract with agents] in our Terms and Conditions ... and we will require staff are trained”.

“We will insist that all agents undertake this [Code training]”.

“In relation to requiring agent's full compliance, this will be added in to future contracts to agents and sent out as amendments to current agents..... We ....do verify staff are suitably trained in accordance with the Code”.

“Agents currently sign our compliance letter, but we will ensure going forward that they are undertaking training”

The new Code and CCAS logo can be downloaded from the Consumer Code Website: <https://consumercode.co.uk/downloads/consumer-code-logos-guidance/>



# LESSONS LEARNED

## FROM SITE VISITS

Independent Code auditors have been conducting a series of compliance checks to give you and your agents an independent view of current strengths and identify any gaps in customer service and Code compliance at the point of sale.

### GOOD PRACTICE

The auditors have found lots of evidence of good practice across the industry, including:

- Visibility of the Code logo on sales brochures and in site offices
- Utilisation of Code on-line training
- Good working knowledge of the principles regarding responsibilities of the builder and the home warranty company
- Regular staff meetings to ensure staff are aware of any issues/changes
- Sites complying with the Code's health and safety requirements
- Familiarisation meetings with home buyers before completion to identify and resolve snagging issues

### GOING ABOVE AND BEYOND

The auditors have also seen evidence of developers going beyond Code requirements to support home buyers in their purchase and promote consumer protection by:

- Actively using the Code as a marketing tool to say they support it and that home buyers are afforded its protection
- Promoting the Code on their website and having it visible on home pages as well as on contact pages
- Having the Code available for potential customers to read and/or take away with them as well as providing electronic copies
- Embedding the Code as part of any personal development plan and requiring staff to undertake and evidence they have passed the on-line training annually.
- Displaying certificates of successful Code training
- Using the Code's model Reservation Agreement for all new sales, not just those covered by this Code.

**The auditors have found lots of evidence of good practice across the industry, as well as some developers going above and beyond to help consumers**

**Some builders are actively using the Code to enhance their marketing**



## OPPORTUNITIES TO IMPROVE

Auditors have also identified areas requiring improvement and we encourage you all to work on these in partnership with your agents to ensure you comply fully with the Code:

- Code visibility - the logo was not so well displayed in most estate agents
- Regional variations - some developers used the Code logo in their sales brochure while at other sites, for the same developer, they failed to do so
- Code logo - the correct Code logo was not always used in brochures or on display
- Training - extremely variable levels of knowledge on the Code, particularly for estate agents, many of whom were unaware of the free on-line Code training
- Management fees - information was not always provided on the indication of the management fee, including stating in what circumstances and on what terms the charges and fees may alter
- Off-plan - many agents incorrectly believed the Code was only relevant to homes being sold off-plan
- Training records - not all staff were required to keep a record of what training they had undertaken on the Code

The auditors have also spotted opportunities to strengthen the Code to help raise awareness and ensure potential home buyers know what to expect from the sales process:

- **Home builder websites** - making the requirement to display the Code logo on websites mandatory rather than optional as it is now.
- **Sale brochures** - looking at our definitions and how Code information is communicated in light of recent changes to the way sales brochures and information is produced and shared.
- **Quality inspections** - ensuring consistency in the approach to snagging, ideally requiring that snagging takes place prior to a customer moving in with the intention of striving for zero defects at the point of handover.

These points will be considered as part of the next review of the Code which is expected to be in 2020.

**We encourage you all to work on these in partnership with your agents to ensure you comply fully with the Code**

**The next review of the Code is expected to be in 2020**



## FEEDBACK

We are always keen to receive feedback from home builders on what information you find useful about the Code. If you have any suggestions on what you would like to see, then please do let us know by emailing: [secretariat@consumercode.co.uk](mailto:secretariat@consumercode.co.uk)

You can also subscribe to our mailing list at <http://eepurl.com/dFcEJT> to receive the latest news about the Code and our members.