



## WELCOME

Welcome to the latest newsletter from the Consumer Code for Home Builders.

It's no surprise that the coronavirus and associated lockdown have been a major focus for the home building industry - affecting builders and buyers alike. It has been encouraging to see the efforts many have taken to try and enable home buyers to view potential homes virtually, while work has been going on to maintain construction where possible within government guidelines. Minor changes have been made to the Code's Independent Dispute Resolution Scheme to reflect the lockdown limitations which you can read about in our [Covid-19 factsheet](#).

The other important news for the industry is the creation of an interim New Homes Quality Board, set up by the Government and led by Natalie Elphicke MP. This new board is responsible for taking forward the recommendations arising from the Government's consultation into improving redress in the housing market. We are looking forward to working with the new team to support the transition to new consumer protection arrangements over the coming months.

This busy period also saw the Code mark its tenth anniversary. We've witnessed a number of changes and improvements over the past decade - take a look at our [video](#) for a summary of some highlights.

With lockdown starting to ease, I wish you all a safe - if socially distanced - summer.

Noel Hunter, Chairman

## CONSUMER CODE MARKS 10 YEAR ANNIVERSARY

The Consumer Code for Home Builders, which covers 95% of the new build market, has now been operating for a decade. Since the Code's launch, the proportion of consumers who would recommend their builder has risen from 46% pre Code to 87% in 2019<sup>1</sup>.



Over the last ten years, we have delivered a range of customer service improvements which have helped to make the process of buying a new-build home fairer and more transparent. This includes:

- Introducing a comprehensive, Chartered Trading Standards Institute (CTSI)-approved Code of Conduct, covering 19 customer service requirements which home builders must meet in the marketing and selling of new homes
- Setting up a fully independent Dispute Resolution Scheme run by the Centre for Effective Dispute Resolution (CEDR Ltd) which is free for consumers to access and has awarded over £400,000 to consumers since its inception
- Establishing a consumer enquiry service run by Government-sponsored CTSI
- Providing free online training for home builders, solicitors and estate agents to support compliance with the Code
- Implementing a series of compliance measures including self-assessments, mystery shopping and site audits, which is overseen by an independent Disciplinary and Sanctions Panel.

For a snapshot of some of our highlights, take a look at our [infographic](#) or watch our latest [video](#). Our Chairman, Noel Hunter, has also shared his observations on progress over the last ten years in his [blog](#).

<sup>1</sup> Source: [https://www.hbf.co.uk/documents/8389/CSS\\_HBF\\_Brochure\\_2019\\_with\\_table.pdf](https://www.hbf.co.uk/documents/8389/CSS_HBF_Brochure_2019_with_table.pdf)

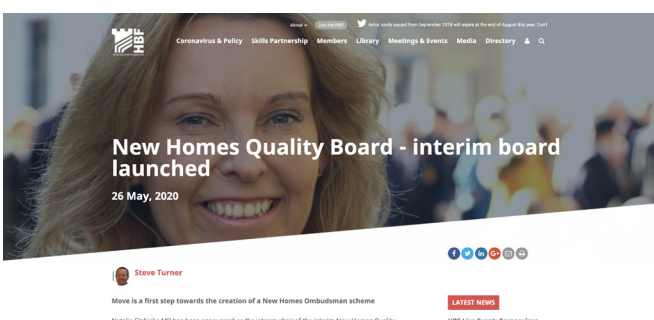


## CONSUMER CODE WELCOMES NEW STEP TOWARDS IMPROVING QUALITY AND STRENGTHENING REDRESS

A significant step in the move towards the creation of a New Homes Ombudsman was announced at the end of May with the appointment of an interim New Homes Quality Board. The new board brings together many of the organisations already represented on the Consumer Code for Home Builders' (CCHB) board, alongside new participants, and will be well placed to build on the work achieved by the Code since its inception in 2010.

Noel Hunter, Chairman of the CCHB said: "We are pleased to see progress being made in efforts to strengthen redress for consumers. We are particularly encouraged to see that the New Homes Quality Board will have the remit to cover build quality as well as customer service. We look forward to working with the new board in supporting the transition to new arrangements, ensuring that there is no disruption in the support offered to consumers as the new processes are introduced."

The New Homes Quality Board will be chaired by Natalie Elphicke MP and will include representatives from consumer bodies, housebuilders, warranty providers, lenders and independents. It will not be dominated by any one group. To read the full press release, visit the [HBF website](#).



## HELPING HOME BUYERS MAKE THE MOST OF OUR DISPUTE RESOLUTION SCHEME

Although the majority of home buyers are happy with the service they receive when buying a new build home, we recognise that sometimes things do go wrong. If you believe a home builder has breached our Code, you can raise a complaint via our Independent Dispute Resolution Scheme (IDRS).

Our IDRS is free to use for home buyers and is run by award-winning dispute resolution experts, CEDR Ltd. Past complaints have shown that sometimes buyers can miss out on redress or compensation by not including key information that can help an adjudicator reach a fair decision. With that in mind, board member, Frances Harrison, Chair of the Code's Disciplinary and Sanctions Panel and Citizens' Advice representative, has highlighted some things to bear in mind before you start filling in your form.

These include the importance of providing evidence to back up your complaint, including estimates for remedial work to help adjudicators assess the likely cost of putting things right, and understanding the jurisdiction of the adjudicators when it comes to financial compensation.

The article also explains the importance of the draft decision review stage which gives both parties the opportunity to correct any misunderstandings or fill in any gaps in evidence where possible.

You can read the full article on our [website](#).



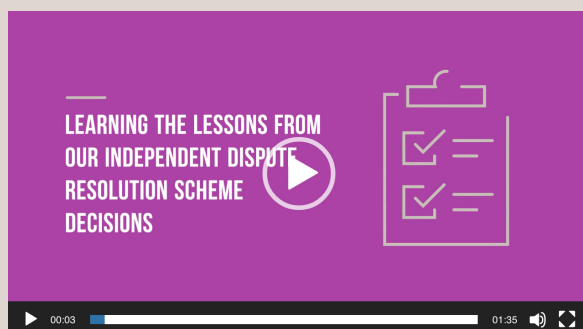
## LEARNING LESSONS FROM PAST COMPLAINTS

Part of the Code's role is to help home builders improve customer service and encourage best practice. We've put together a series of factsheets for developers to share some of the learnings from recent IDRS adjudications to help minimise similar breaches of the Code in the future.

The Code's Independent Dispute Resolution Scheme assesses and adjudicates on the complaints made by home buyers about potential Code breaches. Recently, the majority of complaints have related to four areas of the Code:

- Section 1.5 - Sales and advertising material and activity must be clear and truthful.
- Section 2.1 - Home Buyers must be given enough pre-purchase information to help them make suitably informed purchasing decisions.
- Section 4.1 - The Home Builder must provide the Home Buyer with an accessible after-sale service.
- Section 5.1 - The Home Builder must have a system and procedures for receiving, handling and resolving Home Buyers' service calls and complaints.

There are common areas which have contributed to these breaches, including not keeping customers adequately informed of changes that may affect their purchase decision, failing to keep an audit trail of customer correspondence, not providing the right information at the right time or following up complaints in a timely manner. The factsheets are available to download [here](#). For a summary of the main learning points, take a look at our short [video](#).



## HOME WARRANTIES EXPLAINED

Unlike purchasing a second-hand home, most newly built homes come with warranty and insurance protection which usually lasts for ten years. There are a number of different warranty providers. NHBC, LABC Warranty, Premier Guarantee and Checkmate between them cover approximately 95% of all new homes built in the UK and they are all members of the Consumer Code for Home Builders.

But what does your home warranty cover? All policies differ, but what our warranty bodies have in common is that they offer comprehensive cover against major structural defects to protect home buyers and will **usually** include:

- Two years' builder warranty against defects
- Further eight years' structural insurance
- Contaminated land cover
- Deposit protection if your builder becomes insolvent

It's not always 100% clear to home buyers who is responsible for what when it comes to build quality, so our chief executive, Carol Brady, caught up with each of our warranty providers to find out more about when to seek help via your warranty scheme.

Most issues can and should be dealt with by your builder within the first two years of occupation. After that, structural defects should be a matter for your warranty provider. For the full insight, take a look at the article on our [website](#).



# ANNUAL CTSI AUDIT HIGHLIGHTS BEST PRACTICE

The Consumer Code for Home Builders passed its first annual inspection earlier this year, with the CTSI's independent auditors highlighting a number of examples of best practice during their assessment.

Annual inspections are a condition of membership to the CTSI Consumer Codes scheme and our Management Team welcomes the opportunity this provides to ensure the Code is working well and is supporting new-build home buyers. The review looked in detail at how our Code is applied, what actions we take to promote compliance and how our Independent Dispute Resolution Scheme helps consumers when things go wrong.

The auditors were particularly pleased to see the work we do to share lessons learned from complaints and self-assessments across the industry, as well as our proactive approach to reviewing Reservation Agreements. The cover our Code provides for consumers should their builder go out of business was also highlighted as an example of best practice.

The CTSI report states: "The Consumer Code for Home Builders continues to provide comprehensive protection for consumers in relation to the purchase of a new home. In addition they seek to continually drive up standards across the whole house building sector."

The full report can be viewed on the [CTSI website](#).

## LOOK FOR THE LOGO

All developers covered by the Consumer Code should display our logo alongside the Consumer Codes Approval Scheme logo. This logo means your developer is covered by our Code and must meet the customer service requirements we set.

Don't see the logo? Ask if you are covered by the Consumer Code for Home Builders. If a new home is protected by one of our member warranty bodies - NHBC, Checkmate, Premier Guarantee or LABC Warranty, you will be covered.



### Developers - covered by the scheme but not displaying the logo?

Act now! Displaying the Consumer Code logo is a requirement of the Code and can help reassure your customers that you offer a high level of service.

To download the logos, visit <https://consumercode.co.uk/downloads/consumer-code-logos-guidance/>



## SHARE YOUR NEWS

If you've got a good story to share, whether it's training your staff on the Code or feedback from a customer about your service, drop us a line at [secretariat@consumercode.co.uk](mailto:secretariat@consumercode.co.uk) and we'll do our best to share your successes.

For general enquiries relating to the Code, please call us Monday to Friday between 10am to 4pm on 0345 608 9797\* or email our enquiries team at: [enquiries@consumercode.co.uk](mailto:enquiries@consumercode.co.uk)

\*Calls to 0345 numbers usually cost the same as standard UK landline numbers. Please check with your network provider.

## WHO SUPPORTS THE CODE

