



## WELCOME

### Welcome to our latest newsletter.

2021 has certainly brought with it some challenges. The pandemic has continued to dominate our lives, and pressure on supplies and workforce is impacting the new home building industry alongside many others. But there has been positive news too, including progress in strengthening consumer protection for new build home buyers.

A provider has been appointed to run the New Homes Ombudsman (see right) and the New Homes Quality Code is due for launch any day now. We are keen to see the additional benefits this will bring for consumers.

For our part, we are concentrating our efforts on ensuring a smooth transition towards the new arrangements, while continuing to build awareness of and compliance with our Code. After all, not only will builders have to comply with our Code for at least another two years, but virtually all of the requirements we set have been taken forward into the new code. On that basis there is everything to gain by complying with current requirements.

In this issue we bring you up to date on our latest audit learning points, winter tips for home owners and guidance to help solicitors understand Code requirements - and plenty more besides.

I hope you find this a useful read and wish you all a Happy Christmas.

Noel Hunter, Chairman

## NEW HOMES OMBUDSMAN PROVIDER APPOINTED

The New Homes Quality Board has appointed a provider to set up and operate the New Homes Ombudsman service from 2022. The Ombudsman will be run by The Dispute Service to provide independent redress for home owners covered by the New Homes Quality Code, which itself is due to launch this month.

How will this affect new home builders and their sales agents? This is what we know so far.

### What is the New Homes Ombudsman?

The New Homes Quality Board (NHQB) was originally established in May 2020, led by Natalie Elphicke MP with representatives from the home building industry and consumer groups. The Board's remit included setting up a New Homes Quality Code (NHQC) and New Homes Ombudsman (NHO) in response to the government's desire to strengthen redress for consumers in the buying and selling of new-build homes.

### How will the new arrangements work?

Once the NHO is in place (in 2022), there will be a transition period during which time developers will be asked to register with the NHQB. All builders are expected to be registered by the end of 2022.

### How is it being funded?

The new arrangements will be paid for by the house building industry. We expect this will be via an annual registration fee and levy based on volumes with an additional fee for certain referrals to the NHO.

### Will the Consumer Code for Home Builders be replaced?

It is envisaged that the New Homes Quality Code will replace the Consumer Code and other new-build codes as set out in Government's Building Safety Bill. However, the Ombudsman will only cover cases which relate to the new code and transition arrangements are still being worked through so that consumers receive a seamless service and know who to go to in the event of a claim.

For more information visit [The New Homes Quality Board](https://www.newhomesqualityboard.co.uk) website and look out for updates on our news pages and social media channels.



# SHARING MORE LESSONS LEARNED FROM THE INDEPENDENT DISPUTE RESOLUTION SCHEME

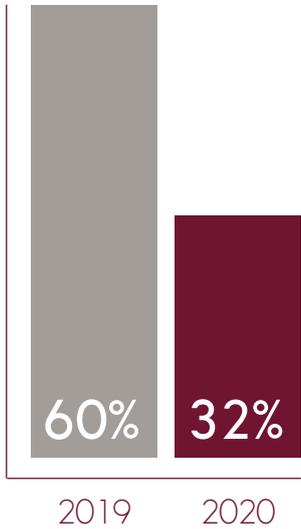
*Breaches relating to the home builder's duty to provide enough pre-purchase information to help home buyers make a suitably informed purchasing decision.*

We've updated our suite of factsheets about learning from complaints to help home builders comply with the Code, based on the latest case histories and the updated Independent Dispute Resolution Scheme (IDRS) report from the Centre for Effective Dispute Resolution (CEDR).

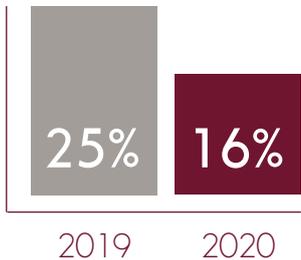
CEDR identified five Code Requirements that were the most breached in 2020, four of which were also listed as common breaches last year. On a positive note, the number of breaches relating to the home builder's duty to provide enough pre-purchase information to help home buyers make a suitably informed purchasing decision has fallen significantly, from 60% to 32%. There has also been a positive drop in the number of breaches relating to Section 1.5, that sales and marketing material must be clear and truthful - from 25% in 2019, to 16% in 2020. However, CEDR noted that 13% of breaches related to the home builder's duty to provide appropriate procedures for handling calls and complaints (which represents a rise 7% compared to 2019), while 11% of breaches related to reimbursement of Reservation fees (Section 2.6).

Sharing some of the key learnings from the adjudicators' findings is just one of the ways the Consumer Code is working with home builders to raise standards and help home buyers receive good quality customer service.

Find out more about our learning resources for home builders here: <https://consumercode.co.uk/resources/#home-builders>



*Breaches relating to Section 1.5, that sales and marketing material must be clear and truthful.*



## USING THE CODE TO **BOOST YOUR MARKETING**

**Promoting your membership of the Code demonstrates your commitment to good customer service.**

When it comes to marketing your homes, promoting your membership of the Consumer Code can help give buyers confidence that they will receive a good service and that help is available should they need it.

Watch our video to see how you can best use your Code membership in your marketing material to give home buyers added confidence with their purchase. <https://consumercode.co.uk/using-your-code-membership-in-your-marketing/>



## SHOWCASE YOUR MEMBERSHIP!

**Remember to use our combined logo on your website, in your offices and throughout your marketing materials.**

The Code is an approved Code of Practice and is recognised by the Chartered Trading Standard Institute's Consumer Codes Approval Scheme.

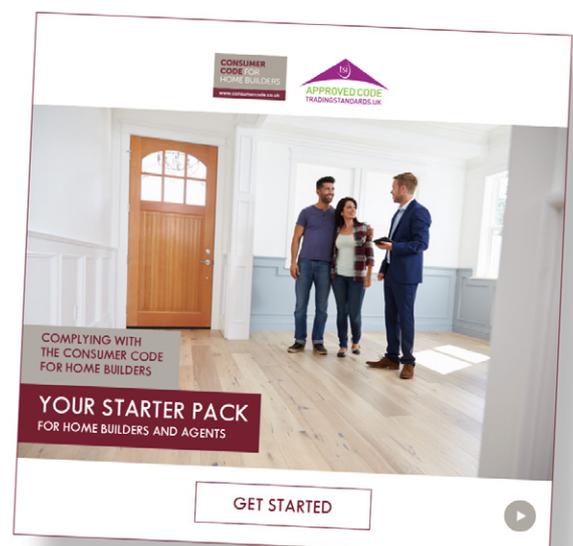
By displaying the logo you are demonstrating your commitment to great customer service, giving you added credibility and an edge over other organisations which do not have those standards in place.



## HAVE YOU DOWNLOADED YOUR FREE STARTER PACK YET?

We have had a great response to our Starter Pack for Home Builders and Agents since we launched it earlier this year. The pack was created to help you comply with the Code and includes model terms between builders and agents, a sample reservation agreement, a code compliance checklist and a summary of the Code's complaints process. [Download your pack here.](#)

You can also visit our [Resources Hub](#) for lots more help, advice and resources to help you maintain your compliance with the Code.





## WHAT DO SOLICITORS NEED TO KNOW ABOUT THE CONSUMER CODE FOR HOME BUILDERS?

**Solicitors acting for a developer, or a buyer, of a new-build home, need to be aware of their role in complying with the Code.**

We've put together some quick tips to highlight the main aspects to be aware of, including:

### Using the Code to support buyers

- Download the Code requirements and guidance for builders so you're aware of the expectations on developers from the start.
- Expect to receive a copy of the Code Scheme along with proposed contract, the legal title, and any other relevant documents and approvals as soon as your client signs a Reservation agreement.
- Ensure your client receives the information required by the Code to enable them to make an informed purchasing decision.
- Complete the Code's free, one hour online training course - it's a good idea to refresh your training annually.
- Be clear on termination rights at every stage of the purchase:
  - The Reservation Agreement should include cancellation terms.
  - Home buyers can withdraw from a purchase without penalty if the developer has made a substantial change to the property which the buyer is not happy with.

## Helping developers comply with the Code

- Use the Code requirements and guidance for builders to validate that the appropriate materials are prepared and shared with buyers at the right time. Home builders are also required to have in place procedures for handling and resolving service calls and complaints from buyers.
- Review reservation agreements and contracts to ensure they are compliant with the Code and written in plain English.
- Work with your client to ensure any changes made to a property are clearly communicated in writing and that consent is appropriately recorded.
- Include a description of any management services and organisations to which the homebuyer will be committed, together with an estimate of their cost – failure to clarify the financial implications associated with a purchase could leave you open to a complaint via the Legal Ombudsman as well as falling foul of the Code.



Whether you are acting for a developer or a buyer, remind them not to rely on spoken statements when entering into a contract – putting assumptions in writing and seeking confirmation prior to exchange will reduce the risk of later disputes.

For more tips, read our article in full here: <https://consumercode.co.uk/what-do-solicitors-need-to-know-about-the-consumer-code-for-home-builders/>

## Conveyancing Matters puts Noel Hunter back in the hot seat

Our Chairman, Noel Hunter OBE, was invited back to discuss the latest developments in consumer protection for new home buyers on the Conveyancing Matters YouTube channel in early December.

Lorraine Richardson from Aspect Law, and colleague Stuart Forsdike from PCS Legal, quizzed Noel on forthcoming changes to consumer protection and the introduction of the New Homes Ombudsman. A key topic for discussion was the planned transition arrangements and the Code's focus on ensuring consumers have consistent access to support as the new homes code of conduct is phased in.

Watch the full interview here <https://www.youtube.com/watch?v=CGXdHg-MruM>



## 5 Top Tips to help your home this winter



## GIVE YOUR NEW-BUILD HOME A HELPING HAND THIS WINTER

As the nights draw in and the weather turns colder, many of us will be adding extra layers, digging out our winter coats and switching our heating on to keep warm. But we're not the only ones that benefit from some extra TLC during the winter months. There's value in winter preparation for all types of homes - and for those of you moving into a recently completed new-build home, there are a few extra things to be aware of. Here's five top tips to help keep your home in good shape during cold and wet weather.



**Make the most of your heating:** Set your heating to come on when you need it most and use room thermometers - and individual radiator thermometers - to manage the temperature. Aim to keep the inside of your house between 18-20°C - nudging the thermostat up too high in a newly-built home could accelerate the natural drying out process and lead to superficial plaster cracks.



**Insulate but ventilate:** New-build properties are generally very well insulated, although there may still be improvements you can make such as adding draft excluders to keyholes and letterboxes. But while it's important to keep heat in, it's also essential to ventilate your home, particularly during the first year. Make sure the vents in any double-glazed windows and doors are open to allow air flow and make use of your extractor fans in kitchens and bathrooms to reduce the risk of condensation.



**Prepare your home for when you're away:** You might be tempted to switch off your heating and hot water before going away, but setting both to come on, even at a low temperature such as 10 degrees, will reduce the risk of frozen or burst water pipes if temperatures take a dive while you're away.



**Clear out your gutters:** Even new-build homes need regular maintenance. Keeping your gutters clear of leaves and debris will allow your pipes and gutters to do their job and minimise the risk of water ingress.



**Secure anything loose in advance of high winds:** When high winds are forecast, take a moment to secure any lightweight outdoor furniture, plant pots or other loose materials that could cause damage if left to blow around.

These are just a few quick tips to help protect your home in the winter. Keep an eye out for further information and advice from our Warranty Providers - Checkmate, LABC Warranty, Premier Guarantee and NHBC - which we'll be sharing on our [Twitter](#) and [LinkedIn](#) pages.



## TOP TEN QUESTIONS TO ASK YOUR NEW HOME BUILDER

**Buying a new-build home is an exciting time – and there can be a lot of information to take in.**

You're bound to be bursting with questions about the more exciting aspects of your new home, but it's also important to clarify some of the 'nuts and bolts' of what to expect during and after the sales process.

If your home is covered by one of our warranty providers (NHBC, Premier Guarantee, LABC Warranty or Checkmate) both the home builder and their sales agent are bound by our Code to ensure the buying process is fair and transparent. However, it's a good idea to have a list of questions prepared to make sure you are given the information you need, when you need it, to help prevent unwelcome surprises down the line.

Here are our top ten questions to ask your builder.

### **1. What information should I expect to receive during the buying process?**

One of the key pieces of information your builder should provide is a copy of the Code – or at least details of how to access it from our website. As part of the Code, builders are also required to provide you with enough pre-purchase information to help you make a suitably informed purchasing decision.

### **2. What are the costs associated with this build?**

Some new properties involve ongoing costs such as management fees, ground rent and fixed agreements on services like broadband, which may not be included in the headline purchase price and could impact your budget. Your builder must share these commitments with you including approximate costs.

### **3. What are my refund rights on a reservation?**

If you change your mind during the reservation period you are entitled to a refund of your reservation fee, less any reasonable costs incurred by the home builder or sales agent. Ask for specific details about fee refunds when you reserve, including exactly how much will be retained in the event you decide not to proceed.

### **4. Will my home be exactly as shown on the plans?**

The properties on your development may vary considerably. Talk to your sales agent about specific elements including room size, layout, features or finish as well as external factors such as the location of drains, streetlamps, and communal facilities like bus stops.

### **5. What happens if you need to make a change to the plans for my home?**

Your builder or sales agent should let you know if the plans need to be changed. Any substantial or significant changes (such as changing the external design) should not be made without your prior approval and you have the right to cancel the contract and reclaim your reservation fee and contract deposit if you no longer wish to proceed.

### **6. What does my home warranty cover?**

Your builder should provide you with an explanation of the specific Home Warranty cover for your home, including the name and contact details of the provider and a summary of the insurance cover protection.

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### 7. Can I use my own conveyancing solicitor?

Developers may recommend a specific solicitor or conveyancer but you are free to choose your own advisers if you prefer. Whoever you appoint, your legal advisers will be bound by strict rules which includes operating in your best interest.

### 8. What should we expect after we move in?

Your new home will require a period of 'settling in' and drying out. During this time, you may notice small cracks and gaps or the appearance of condensation. Your developer or sales agent will explain what to look out for and examples of defects or deficiencies that you should note on your snagging list.

Your developer or sales agent will explain what to look out for

### 9. Do you have an after sales service and what does it include?

The support doesn't stop once you have completed your purchase and the Code requires your home builder to provide an accessible after-sale service with details of what the service includes and who to contact.

### 10. How do you handle complaints?

Most people are delighted with their new home but occasionally problems arise. Your homebuilder is required to have an accessible complaints process, and should provide details of relevant dispute resolution schemes such as the approved Independent Dispute Resolution Scheme provided by the Code.

For more information about The Code and the support available for new home buyers download our [Home Buyers Guide](#) or take a look at the [videos and blogs](#) on our website.



## JOIN OUR MAILING LIST

To receive our newsletters and other updates straight to your inbox, join our mailing list. [Click here](#) to sign up.

For the latest Code news, follow us on [LinkedIn](#) and [Twitter](#).

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.

## SUPPORTERS OF THE CODE

