

# CONSUMER CODE NEWS

CONSUMER  
CODE FOR  
HOME BUILDERS

[www.consumercode.co.uk](http://www.consumercode.co.uk)



SPRING 2022



## WELCOME

### Welcome to our Spring 2022 newsletter.

Spring is often seen as a positive time of year - we start to see lots of signs of growth in nature, a few warmer days (hopefully), extended daylight hours, and traditionally a real spike in demand for new homes.

It has been a busy time for the Consumer Code for Home Builders (the Code). We have been working closely with the New Homes Quality Board and other codes to establish when a statutory code will be in place and how a transition from existing codes may be managed. Our primary concern is to ensure a seamless process with no surprises to protect both consumers and the industry. More on this on page 2.

We've also been looking at how the Code can help to alleviate the stress that can often be associated with buying a new home, as part of Stress Awareness Month in April. Check out pages 3-4 for useful tips for home buyers, builders and agents.

But there has been difficult news too. Across the industry, those who knew our former board member, Mike Freshney, were shocked and saddened to hear of his untimely death in February. Mike was a member of the Code's Management Board since its inception - and a prime mover in its creation and development. He had a passionate commitment to the quality of new homes and was a keen advocate of improving consumer protection. He led a 'sea change' in consumer policy within this important industry. His understanding and expertise within the industry was unsurpassed, matched by his ability to inspire and motivate others. He is sorely missed, both by me personally, and my colleagues at the Code.

Beyond our industry, February also saw the start of the invasion of Ukraine and resulting conflict, the like of which we hoped would never return to Europe. Our thoughts are with all those affected by this continuing conflict and the resulting humanitarian crisis.

*Noel Hunter, Chairman*





## WHAT NEXT FOR NEW-BUILD HOMES' CODES OF CONDUCT?

**The Code continues to apply to most of the new build homes market, with over 95% of new build homes covered by the Code.**

The Building Safety Bill currently being considered in Parliament could allow for the creation of a statutory ombudsman sometime in the future. Should this happen the Code will transition to a new code that builders and developers will be required to meet and on which the New Homes Ombudsman, once fully set up, will adjudicate. Until that time, our Code will continue to operate.

The current situation risks confusion if not carefully managed, which is why the critical focus for us is to ensure there is good communication with the industry as these changes take place and that clear, easily accessible information and supporting signposting is in place for consumers.

The industry will need sufficient time to manage any transition, particularly in relation to staff training. The legacy issues that could arise for two or three years after existing codes cease to operate add to the complexity. We are making careful plans to manage these changes as far as our Code is concerned and will provide the industry with sufficient notice to make their own internal arrangements. If you have any questions regarding any of these changes, please [contact us](#).

To help ensure home buyers are not adversely affected by any delays or confusion about changes in protection, the Code's Board has agreed to press on with our normal activities, including a review of our Code.

We will continue to work with the NHQB and maintain efforts to strengthen redress for consumers while ensuring a continuous high level of protection for new build home buyers.



## STRENGTHENING INDEPENDENCE ON OUR BOARD

We are delighted to welcome Ron Gainsford OBE to the CCHB Board. Ron is already a member of our Advisory Forum and brings strong consumer protection and regulatory experience. He is a former chief executive – now vice president – of the Chartered Trading Standards Institute, Chairman of the Motor Ombudsman Board and Chair of UKAS Policy Advisory Forum and Council.

Ron joins us following the tragic loss of Mike Freshney, who had represented the Home Builders Federation on the CCHB Board and Advisory Forum. The HBF will continue to be invited to sit on our Advisory Forum.

Noel Hunter said: "We are delighted to welcome Ron to our board. His involvement will further strengthen the Board's independence and consumer focus, while the industry voice remains well represented through Homes for Scotland and the warranty providers."



## CODE REVIEW – CONSULTATION PLANNED

**The Consumer Code for Home Builders has been regularly reviewed since its inception to identify any improvements that could be made and ensure it remains fit for purpose. We are about to launch our next review and consultation.**



The consultation is expected to begin in May and last for up to 12 weeks. Please keep an eye on our website for further information. To be added to our database of stakeholders please sign up to our mailing list [here](#) and tick 'I would like to receive other notifications about Code publications'.



# FEATURE: TAKING THE STRESS OUT OF BUYING AND SELLING NEW BUILD HOMES

## MAKE MOVING HOME EASIER THIS STRESS AWARENESS MONTH

It's no secret that buying and moving into a new home can be stressful. It involves upheaval, with lots of tasks that need to be done in a short amount of time. While there's no 'quick fix' to avoid this, we're using Stress Awareness Month to put a spotlight on three ways the Consumer Code for Home Builders can help make moving to a new-build home more straightforward.

### 1 Stress-busting step one: Get off to a good start

It's easier to plan for change when we know what will be happening, when, and what the costs will be. This is where the pre-contract support from the Code comes in. Home builders covered by our Code have a set list of requirements to meet to ensure you have what you need to make an informed decision about your new home.

Before you exchange contracts, you should know what your new home will look like, what will be included, any additional costs associated such as maintenance fees, and an expected timescale for completion. Take a look at our [top ten questions to ask your builder](#) for more guidance.

### 2 Stress-busting step two: Know your rights

The Code requires home builders to make sure contracts comply with all legislation and are written in plain English so you know exactly what you're signing up to.

The Code also includes termination rights so if there's a substantial change to your property or the completion date, you may be able to terminate your contract and get your deposit back.

Thanks to the extra protection offered by the four main warranty providers, you can relax knowing your deposit is protected in the unlikely event that your builder goes out of business prior to completion.

### 3 Stress busting step three: Ongoing support

Protection doesn't end once you cross the threshold of your new home - far from it. The Code requires home builders to provide an after sales service, so you know how to use and look after everything in your new home, and how to report any snagging issues.

Your new home will also come with a 10-year warranty, including protection in the unlikely event of any structural issues that may become apparent over time. That's a big tick for reducing stress!

#### STRESS BUSTING BONUS:

Did we mention our Code is approved by the Chartered Trading Standards Institute Consumer Codes Scheme? We have to meet stringent targets to demonstrate how we support consumers as part of this scheme, so you can feel confident in the support we provide.

CONSUMER  
CODE FOR  
HOME BUILDERS

[www.consumercode.co.uk](http://www.consumercode.co.uk)



Don't forget that the Code's Independent Dispute Resolution Scheme is there to help you should you feel the Code has been breached by your builder. For full details, including how to access our IDRS, visit [www.consumercode.co.uk](http://www.consumercode.co.uk).





## STRESS BUSTING TIPS FOR HOME BUILDERS AND AGENTS

It's not just home buyers that can benefit from the Code's stress-busting support. We've put together a range of tools to help take the pressure off when it comes to complying with the Code.



Alleviate audit anxiety by being prepared. Download our [Guide to Compliance Audits](#) and take a look at our [Lessons Learned](#) leaflet.



Keep cool about compliance - update your skills using our [free online training](#), and download the latest [Code with guidance added](#) to help you meet your obligations.



Minimise the mayhem with our [starter pack for home builders and agents](#), complete with sample reservation agreement and Code checklist.





## HOME BUILDERS

# DON'T IGNORE THE DISPUTE RESOLUTION PROCESS, HOME BUILDERS WARNED

**Does your company engage fully with the Code's Independent Dispute Resolution Scheme (IDRS) when complaints arise? While most do, 2021 saw 12% claims go unanswered by home builders - which is discourteous to home buyers and can lead to greater financial risk for developers.**

Of the 232 cases independently reviewed in 2021 by the Centre for Effective Dispute Resolution (CEDR), developers failed to respond in 28 separate instances. In those instances, CEDR has only been able to consider evidence provided by the home buyer and has not been able to take account of any steps developers may have taken or any processes that may be in place to support home buyers. Without the home builders' perspective, lessons learned are less likely to identify and resolve the root cause of issues which would help developers improve their service in future.

### COMPLAINTS ON THE RISE

Last year saw the highest number of complaints to date coming through the Code's IDRS - but this only represents the tip of the iceberg, as many complaints are resolved by developers themselves or by warranty providers, before reaching the Code. Only contested or vexatious cases reach the Code resolution service, and these are in the minority. This underlines the importance of developers having an effective and accessible complaints procedure and the need to engage with the IDRS when complaints are referred as they are often complex and detailed.

### ENGAGE EARLY

There have also been cases where developers have mistakenly believed they don't need to respond until they receive the Proposed Decision from the Adjudicator. However, all evidence needs to be submitted prior to the Proposed Decision being reached to enable both parties to have a fair opportunity to have their say. Scheme Rules for the IDRS clearly state that both parties can only highlight factual inaccuracies thereafter:

"The Home Buyer may highlight factual inaccuracies and errors in law in the Proposed Decision, as well as submit additional evidence relating to points already raised in the case. The Home Buyer cannot introduce any new complaints at this stage. The Home Builder may only highlight factual inaccuracies and/or errors in law in the Proposed Decision. The Home Builder cannot submit any new evidence at this stage as part of any defence."

Noel Hunter, Code Chairman, said: "Home builders need to demonstrate their commitment to customer service by engaging fully with this process so that lessons can be learned, where appropriate, and that decisions and associated actions accurately reflect the situation that has occurred."

Click [here](#) for more information about the IDRS. To refresh your understanding of the Code requirements, complete our free [online training course](#).



# CODE MEMBERSHIP

## - A STEP IN THE RIGHT DIRECTION



Noel Hunter shares insights with the Journal of Trading Standards about how joining a Code is only the first step towards better customer service.



There are clear benefits to businesses in joining a code of conduct - it's a great way to signal to your customers that you're committed to providing a quality service. This is particularly true for developers that are part of the Consumer Code for Home Builders (the Code), as membership of our Code brings the additional endorsement of CTSI through the Consumer Codes Approval Scheme (CCAS). The same goes for fellow CCAS-approved codes.

But we are acutely aware that being part of a code of conduct is merely a first step in the process. The real impact lies in whether you adhere to that code, and how much effort you put into fully embracing the principles of good service.

The Consumer Code for Home Builders provides tools and guidance to help you use the Code in your marketing, and consider how you can demonstrate your commitment to customer service to help attract new customers. This includes having a section on your website devoted to customer support, ensuring agents and conveyancers are up to speed with Code requirements, and making sure you provide the right information at the right time.

We've also introduced a compliance starter pack to help builders and their agents cover all the key requirements.

Being proactive and complying fully with the Code not only means that you will be well placed to demonstrate how they are meeting the Code's criteria when audited, but more importantly, you are more likely to build positive relationships with their customers.

### LESSONS LEARNED

Helping members avoid falling foul of their code of conduct is a win-win for businesses and consumers. Businesses benefit from reduced complaints - and fewer complaint-related costs - while customers benefit from a better service. But understanding the finer points of Code compliance can be crucial.

One of the best ways we have found to help achieve that is by sharing lessons learned, both from independent audits and from customer complaints that come through our Independent Dispute Resolution Scheme. For example, it's not uncommon for complaints to arise partly due to misunderstandings - one of the important lessons we highlight is documenting when changes are agreed so everyone involved is clear and shares the same understanding of the situation.

### MAKING CODES OF PRACTICE WORK FOR EVERYONE

There is much to be gained for both businesses and consumers when codes of practice are embraced fully. That's why we have always had some form of independent inspection to assess compliance built into our Code. And it's another reason why CTSI's Code Approval Scheme adds extra weight. Achieving CCAS approval is far from a box-ticking exercise - we, and other approved codes, are submitted to a rigorous annual review process to ensure that our Code is working in practice and we're providing valuable additional support to consumers.



#### Are you making the most of your membership of the Code?

Start by making sure you display the Code logo clearly and making sure all prospective buyers are given a copy of the Code and are aware of their rights. For more tips, watch our short video: <https://consumercode.co.uk/using-your-code-membership-in-your-marketing/>

## COULD YOU SPOT A VULNERABLE CUSTOMER?



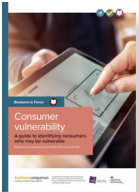
**We all have a role to play in ensuring all consumers are treated fairly. Some consumers are more vulnerable to detriment, because of their situation or the circumstances they are in when purchasing a product or service. Being aware of the issues around consumer vulnerability and developing a strategy to ensure these issues are always considered, will help to ensure consumers get a fair deal and those most in need of protection are supported.**

The Chartered Trading Standards Institute (CTSI) is running free online courses for Code members, designed to help you to identify and work with vulnerable consumers in a way that is both consistent and fair.

The training will cover the following areas:

- what is consumer vulnerability
- what are the possible causes of consumer vulnerability
- to help you understand how you might identify and work with consumers that may be vulnerable
- practical tips of how to support consumers
- the opportunity to reflect on current processes
- the opportunity to formulate a plan for improvement

The training is suitable for all businesses, frontline, customer-facing staff, management, specialist teams, back-office staff and relevant suppliers.



The next session is on 8th April at 9:30. To book, visit <https://www.eventbrite.co.uk/e/consumer-vulnerability-virtual-training-for-businesses-tickets-287800277377>

Further dates are expected - keep an eye on our social media accounts for details. You can also download the [CTSI's Consumer Vulnerability Guide for businesses](#).

## MATERIALS SUPPLIES HIT COMPLETION DEADLINES

**For some time now, many developers have had difficulties sourcing labour and materials due to the current trading environment and we're starting to see this having an impact on some completion dates.**

Any slippage in expected completion dates should be communicated as early as possible to home buyers and they should be kept informed of progress to avoid unnecessary concern or inconvenience.

Bear in mind that the Code does protect consumers in the event of a serious delay to their completion date. Be realistic about when you are likely to be able to complete, mindful of the current challenges and the potential for further disruption due to the invasion of Ukraine. That way your customers know what to expect and can plan accordingly.



## CONSUMERS

# UNDERSTANDING YOUR HOME WARRANTY POLICY

Most new build homes come with a ten-year warranty which covers you should structural problems arise with your home during the period of cover. It's a valuable policy that not only gives reassurance that your home was signed off by an independent warranty inspector, but that help is available should you need it.



In the first two years of the policy, the home builder is responsible to handling any issues, particularly to do with defects - often referred to as snagging. Warranty providers will often provide additional support should there be a dispute with your home builder during this period. The remaining eight years focuses on structural cover and is handled directly by the warranty provider.

Take a look at our [two-minute video](#) which highlights some of the main benefits home warranties offer.

## SPOTLIGHT ON CONTRACTUAL RIGHTS

With most home purchases, once you have exchanged contracts, you are committed to buying your chosen property and there are significant financial penalties of not doing so, including the loss of your deposit. However, there are exceptions when it comes to new build homes covered by our Code.

If a home builder makes a substantial or significant change to the home which you have not agreed to, you may have the option to cancel your contract. Substantial changes would include those that would affect the value or useability of the property such as major changes in rooms sizes or outward appearance.

Under the Code, home buyers are entitled to cancel their contract in these circumstances and the home builder is expected to return the full deposit and reservation fee as well as seek reimbursement for out of pocket expenses. Should this not happen, a claim can be brought via the Code's Independent Dispute Resolution Scheme.

Although the maximum award through our scheme is £15,000, experience suggests that where an adjudicator has found fully in favour of the home buyer, the builder has normally returned the deposit in full of their own volition. Pursuing a claim through the Code's IDRS does not prevent you from taking further legal action should you wish to do so.

Instances where substantial changes are made without prior agreement are thankfully very rare. Where changes are made to properties, they are normally minor and discussed and agreed with the buyers affected. However, thanks to this extra protection, you can have confidence that there are measures in place to make sure that your finished home is as you would expect it to be.

### DEADLINES MATTER

The Code also enables you to cancel your contract if there is an unreasonable delay in finishing the construction of your home and serving the notice to complete. Sometimes delays are unavoidable, and you should always be kept informed by your builder of any change to your completion date. However, where these delays become excessive, you have the right to withdraw and receive full reimbursement.

The Code is there to help protect your rights, but you should always discuss any plans to cancel your contract with your professional advisor in the first instance.



# TOP PICKS FROM TWITTER AND LINKEDIN

Following the Code on Twitter and LinkedIn is a great way to keep informed about the help and guidance we offer. It's where we share timely information in direct response to feedback from audits or complaints.

For example, we've recently become aware that some sites have been operating a two-stage reservation process. Although that may not be a problem, to comply with the Code, reservation fees should only be taken once all the pre-purchase information has been provided.

Here's a selection of our recent posts:

Follow us on [Twitter](#) and [LinkedIn](#) for the latest updates.





## 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

