

AUTUMN 2022



WELCOME

Welcome to the latest newsletter from the Consumer Code for Home Builders. This update reaches you at a crucial time for consumer protection in the new build market. We have been actively reviewing our Code to ensure it remains fit for purpose and consider what changes would help to strengthen support for consumers. And our existing Code has received another ringing endorsement from the Chartered Trading Standards Institute's Consumer Codes Approval Scheme following our latest audit.

Despite these positives, we are also having to work hard to tackle misinformation and confusion about changes to consumer protection

in the new build homes market. The government's original plans to create a statutory New Homes Ombudsman and single mandatory code have not yet come to pass and are unlikely to do so in the short term. Until this happens all existing Codes will continue to operate and developers may choose which one to join, subject to the requirements of their respective warranty bodies.

What is clear is that the Consumer Code for Home Builders will continue to exist for some time to come and currently covers the majority of new build homes across the UK. That's why we're investing in a Code review and look forward to sharing the enhanced Code requirements in our next newsletter in January 2023.

If anyone is in any doubt about these changes, please contact us for further information.

Noel Hunter, Chairman

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

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

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

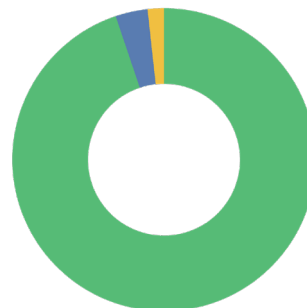
CODE REVIEW GETS UNDERWAY

The latest review of the Consumer Code for Home Builders launched in August. Since the Code began 12 years ago, we've conducted regular reviews to seek input from stakeholders and make amendments that keep the Code fit for purpose. The review is being independently chaired by John Bridgeman CBE, who is applying a rigorous approach to identifying any potential gaps in the protection for consumers.

One of John's early recommendations is that we seek to align the protection offered by different codes to make it clearer for consumers. Research to date shows overwhelming support for this alignment, provided it doesn't lead to a reduction in protection.

John Bridgeman is working through the detailed responses to the survey, in addition to feedback gained from meetings with a number of different stakeholders. We will report the findings and next steps in more detail in our next newsletter. Stay tuned!

Given the plethora of voluntary Codes across the New Homes sector, do you agree there should be a close alignment of the Codes, if not a single Code?



| | | |
|----------|-----|----|
| Yes | 95% | 55 |
| No | 3% | 2 |
| Not sure | 2% | 1 |

SETTING THE RECORD STRAIGHT ABOUT NEW HOMES CODES

The Building Safety Act 2022 makes provision for legislation that could strengthen redress for consumers buying new build homes. However, how and when these changes will be implemented remains unclear. This has led to some misunderstandings in the industry about the current and future obligations for developers, and the support available for consumers now.

In the absence of a mandate from government, a not-for-profit organisation has set itself up to provide a new homes quality code. It has commissioned a New Homes Ombudsman to provide a dispute resolution scheme. These new organisations are not statutory bodies and there are no plans for existing new homes codes to be replaced.

As things currently stand, all existing codes, including the Consumer Code for Home Builders, New Homes Quality Code, and Consumer Code for New Homes remain voluntary. **Developers are free to choose which Code they comply with, subject to any restrictions imposed by their warranty provider.**

Our focus continues to be working with the industry to improve the service homebuyers receive and strengthen the protection available to consumers should things go wrong. We are also working to provide clear signposting for all those involved in the buying and selling of new build homes to help them navigate the changes in consumer protection. We want advisers, developers and consumers to know where to go to get the information that applies to their plot, and new build home buyers to feel

well informed and supported from the moment they reserve a property until two years after moving in.

As part of this, our Chairman has written an article for the [Law Society for Scotland's Journal](#) focusing on what solicitors and conveyancers need to know. We've also provided a [short video](#) update for home buyers and developers on the status of new homes codes.

We will continue to provide updates through the news section of our website: www.consumercode.co.uk.

There is no statutory Code or Ombudsman at this time, and none designated.

CONSUMER CODE IS COMMENDED FOLLOWING RIGOROUS CCAS AUDIT

We're celebrating four years as a CTSI-endorsed Code under the Consumer Codes Approval Scheme (CCAS), following our latest audit.

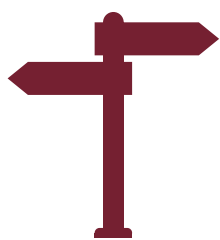
Membership of CCAS involves meeting stringent criteria that demonstrates effective protection and redress for consumers, which is reviewed every year. It looks in detail at key aspects of our Code and the support we provide, including:

- Code management, processes and procedures
- Guidance to support members to implement the code
- Mechanisms in place for handling consumer feedback
- Support for vulnerable customers
- Mediation, alternative dispute resolution and the disciplinary and sanctions process

In the latest independent audit, the CTSI concluded that "CCHB maintain their high standards and continue to drive compliance and thus consumer protection."

They also highlighted areas of good practice, including our continued education programme for developers and advisors to learn from the mistakes of others, to improve customer experience across the industry and reduce consumer detriment. Our self-assessment audit and learning process was also highlighted as evidence of commitment from developers to make changes to improve compliance.

"CCHB maintain their high standards and continue to drive compliance and thus consumer protection."



Signpost great customer service

As a CCAS-approved Code, all developers covered by our Code can proudly display the CTSI CCAS logo. This helps consumers feel reassured that they will be treated well, and that support will be available if things go awry. Are you displaying the logo?





CONSUMER FOCUS

CELEBRATING NATIONAL CONSUMER WEEK THIS NOVEMBER

November sees the arrival of National Consumer Week - an opportunity to raise awareness of consumer issues and celebrate protection. To mark the week, which runs from the 14th November, we're highlighting five ways the Consumer Code protects buyers of new build homes. Here are just a handful of the additional protections we've been offering for the past 12 years:

- 1) Your reservation fee is protected. Builders must return your reservation fee if you change your mind, minus any reasonable administrative costs which must be outlined in advance
- 2) Your deposit is protected. In the unlikely event your builder goes out of business before completing your home, you will receive a refund, or the warranty body will step in to complete your home
- 3) High pressure sales tactics are not allowed - developers are likely to be found in breach of the Code if they put consumers under undue pressure to make a sale
- 4) You can change your mind. If a developer significantly changes the specification of your home, you may be able to pull out of the sale, even after exchange of contracts, and receive a full refund
- 5) You're still protected after completion. Our Code requires developers to provide an after sales service to support home buyers for two years after completion, including an accessible complaints service.

Consumers can take their complaint to our Independent Dispute Resolution Scheme (IDRS) free of charge if they believe their home builder has breached the Code. In the last year alone (2021), the IDRS dealt with over 300 complaints and paid out more than £140,000 to help put things right.

Follow us on [Twitter](#) and [LinkedIn](#) during National Consumer Week to discover more ways the Code protects consumers.

Is your trader
Trustworthy?

They won't come with a sign...

Clumsy Shady Castly Lazy

APPROVED CODE
TRADINGSTANDARDS.UK

If you don't check, you don't know

www.tradingstandards.uk/consumers

The CTSI's Consumer Codes Approval Scheme will be using National Consumer Week to highlight the importance of 'buyer beware' when it comes to buying goods and services and the risks of using rogue traders. By using CCAS-approved traders, consumers can feel confident that their trader must meet certain standards and that independent redress is available should they hit problems. Look for the logo!

[tradingstandards.uk/
consumercodes](http://tradingstandards.uk/consumercodes)

GOT A QUESTION ABOUT A NEW BUILD HOME? CHECK OUT THESE RESOURCES

Moving into a new build home is an exciting time. Alongside making your way through the packing boxes, you'll be wanting to get to know your new home and how everything works. You might also need help with things that aren't quite right.

There's a wealth of resources available to homebuyers via our website and through our supporting warranty bodies.



A great place to start is with our ['What to expect from your new home'](#) guide. This gives a good overview of the different things to look out for and how to 'run in' your new home.



We also provide an overview of [what home warranties cover](#) and how they differ from the Consumer Code, as well as [what support is available](#) to home buyers.



But it's worth checking out your warranty provider's website, too. LABC Warranty has a section for [homeowners](#) with lots of useful information including a snagging checklist. NHBC's homeowner section includes information on what their Buildmark warranty scheme covers as well as a [suite of guides](#) about living in a new build home.



Checkmate also has a [home buyers section](#) with a useful overview of the process and their warranty information while Premier Guarantee has a section devoted to [taking care of your new build home](#) to minimise the risk of any problems.



Don't forget, your developer must provide an after sales service for two years post completion as part of the compliance with the Code. They should be able to help with any initial queries or snagging items when you move in.

CCHB CONTACT CENTRE SECURES CUSTOMER SERVICE EXCELLENCE AWARD

Our customer enquiry team, which is provided by the CTSI Contact Centre, has achieved the [Customer Service Excellence Award 2022](#). This award is a trademark of the Cabinet Office and is awarded to organisations that show a genuine commitment to customer service, including continuous learning and improvement.

The Customer Service Excellence (CSE) Award focuses on the areas that research shows consumers value the most, including delivery, timeliness, information,

professionalism and staff attitude. There is also emphasis placed on developing customer insight, understanding the user's experience and robust measurement of service satisfaction.

The CTSI Contact Centre has successfully held the accolade since it was first awarded to the team in 2014. This gives us real confidence that when consumers contact the Code for information, they will receive helpful, reliable information. Congratulations to everyone involved.



BBC RIP OFF BRITAIN HIGHLIGHTS FLAWS BUT MISSES CONSUMER REDRESS

A recent episode of BBC Rip Off Britain has highlighted examples of problems some consumers are facing where developers have failed to complete communal play areas. We welcome the programme's efforts to raise awareness of these issues and seek resolution for those affected. However, we were disappointed that they missed the opportunity to highlight the protection currently available to home buyers.

There can often be genuine reasons why developers may experience delays in completing communal areas, particularly in light of the pandemic and supply challenges. However, that doesn't mean that consumer concerns should go unanswered.

The Consumer Code for Home Builders is likely to apply to these situations in three areas:

- Pre-purchase information - was the home buyer given accurate and truthful information about the likely timescales and potential delays to any communal green spaces?
- Completion - did the developer explain what was outstanding at the time of completion and the arrangements for fixing these items, including those outside the home?

- Accessible complaints service - does the developer have a complaints process and if so, are complaints being handled in a timely manner with clear information and timescales provided to complainants?

When it comes to communal spaces, often the best route is to speak to the local planning authority who have the power to enforce action in line with the original planning application. And while it may be difficult to put a value on any redress in situations which don't directly affect the home, consumers may still be eligible for compensation for inconvenience caused if they pursue a claim through our Independent Dispute Resolution Scheme.

Most importantly, however, the Consumer Code for Home Builders can apply sanctions against developers through the warranty providers should home builders fail to comply with an adjudicator's decision. It is these sanctions that can make a real difference to resolving ongoing issues facing home buyers.

For more information about the Code requirements, visit our resources section <https://consumercode.co.uk/resources/>



Photo by Aaron Burden on Unsplash. N.B. This image is used for illustrative purposes only and is not intended to represent actual equipment used by developers

HOW THE CODE IS MANAGED AND ENFORCED

The Consumer Code for Home Builders is a not for profit organisation, led by a Management Board, independently chaired by Noel Hunter OBE. Our Board members include consumer protection specialists as well as representatives from the four largest warranty providers – Checkmate, LABC Warranty, NHBC, and Premier Guarantee. Together they bring a range of skills to help steer our work and ensure we remain focused on improving consumer protection.

In May 2022, the independence of the Management Board was strengthened when Ron Gainsford OBE, who chairs our Advisory Forum, joined following the untimely death of Mike Freshney. Ron brings a wealth of consumer protection experience, having led the Chartered Trading Standards Institute (CTSI) as Chief Executive for eleven years and where he remains a Vice President. His professional background encompasses trading standards, local and central government, as well as UK, EU and international regulation of trading standards and associated consumer protection issues.



Our Independent Disciplinary and Sanctions Panel is chaired by Frances Harrison from Citizens' Advice. This Panel reviews all the decisions taken by the Code's Independent Dispute Resolution Scheme and makes recommendations to the Board about any sanctions that should be applied in situations where builders are failing to comply with an adjudicator's decision. The Panel is also responsible for agreeing the correspondence sent to Chief Executives of all developers who breach the Code, so that builders of any size are fully aware of any issues consumers are facing on their sites. This has helped to deliver improvements in awareness of Code requirements and positive action to address failings.

Widespread support and representation

The home building industry is a complex one, involving multiple aspects that can affect the experience consumers have when buying a new build home. That's why our Board has always been supported by an Advisory Forum, an industry-wide body that represents, consults and advises on Code content, its practical application and operation. We are proud to be working in partnership with:

