

Providing enough pre-purchase information



Protection for new-build home buyers

FACTSHEET: Right first time

The Code states that home buyers must be provided with “enough information to help them make suitably informed decisions throughout the buying process”. This requirement often features in complaints, so we’ve put together some tips to help you provide the right information, first time.

1. Make sure you provide home buyers with comprehensive pre-purchase information. This includes a written Reservation Agreement, an explanation of the Home Warranty cover, details of any associated management services and organisations together with an estimate of the costs involved, and details of any additional fees such as transfer costs.
2. If the home has not yet been completed, the home buyer must also be given a brochure or plan illustrating the general layout and appearance, location within the development, and the standards to which it is being built.
3. Use the Code’s resources, including our checklist, sample Reservation Agreement and Builder Guidance to help ensure all relevant information has been provided, including the home’s contents, fixtures and fittings. Ask your home buyer(s) to sign and date when the information has been provided and that it has been understood so you have a clear record of what was provided, when.
4. The information you provide must be accurate and provided in plain English. Take time to go through the documents and details with home buyers and encourage them to ask any questions. Consider the additional needs of vulnerable customers and be prepared to offer additional resources and information to support their specific needs.
5. Inform your home buyers about any changes you make to their home, garden or the site as a whole that could affect their purchasing decision and keep a record. If the changes are significant and substantial and could change the size, appearance or value of the home, it is essential to document and agree these with the buyer in advance or give them the option to cancel.
6. Keep a record of conversations with home buyers, including details of any concerns raised and how they were resolved. Follow up discussions in writing to reduce the risk of misunderstandings, particularly following phone calls or web chats.
7. Make sure your sales staff and agents have completed our free online training on the Code Requirements and what’s expected of them.

“failure to provide information until more than four months after the reservation was a failure to assist the Home Buyer to make informed decisions about the purchase”

IDRS Adjudicator

Resources:

[Code Requirements with Builder Guidance](#)

[Adjudication Case Summaries](#)

[Code compliance starter pack](#)

[Pre-purchase info - how much is enough?](#)