

**CONSUMER
CODE FOR
HOME BUILDERS**

www.consumercode.co.uk



Protection for new-build home buyers



Consumer Code Requirements

and Good Practice Guidance for Builders

This document contains **Good Practice Guidance for Builders**.
It also gives an introduction to the Independent Dispute Resolution Scheme.

Fifth edition, January 2024



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Protection for new-build home buyers

Introduction

The Consumer Code came into force on 1 April 2010 and covers Homes built in the UK¹.

This fifth edition applies to:

- all Reservations signed on or after the implementation date of 1 January 2024,² and
- all the Buyers and Homes stated in the Scope on pages 9-10.

The Code sets Requirements that all Builders must meet in their marketing and selling of Homes and their After-sales Service.

Builders must adopt the standards of good practice, procedures and information in the Guidance to meet each Requirement, unless they take a different approach to satisfying the Requirements.

If they take such a different approach, they must provide a similar level of information and achieve a similar outcome to what the Guidance says.

The Code and Guidance should be read alongside the section about the Scope of the Code (pages 9-10).

More advice is available on the Consumer Code website www.consumercode.co.uk

The Code also benefits second and subsequent Buyers of the Home but only regarding after-sales matters reported to the Builder within two years of the date of the Legal Completion of the original Home purchase.

If a Builder is found to be in serious breach of the Code, sanctions are available through the Code Management Board working with the Home Warranty Bodies. These include:

- removal from the relevant Home Warranty Bodies' register, and
- exclusion from all registers run by other Home Warranty Bodies that take part in the Code Scheme.

The Code is underpinned by an Independent Dispute Resolution Scheme operated through CEDR Ltd. CEDR Ltd is approved by the Chartered Trading Standards Institute as the 'competent authority' acting on behalf of the Secretary of State for dealing with Disputes that are raised with the Builder from the Reservation date until two years after the date of Legal Completion.

Buyers who think they have a Dispute because a Builder has failed to meet the Requirements may choose to refer it to the Independent Dispute Resolution Scheme.

To encourage Builders to adopt the Code and to enable the Consumer Code's Management Board to check how well it is being applied, or whether it needs to be amended or updated, the following activities may be carried out:

- Research.
- Audits, which may include audits of Builders' systems and documents, desktop self-assessment questionnaires and site visits.
- Mystery-shopping surveys.
- Annual returns or reports from Builders.
- Reviews and assessments of customer satisfaction feedback and complaints.
- Training for Builders.

¹ Homes in the Isle of Man may also be covered but Buyers should ask their Builder or check the information provided when they reserve their plot.

² For customers who enter into an Early Bird arrangement but who don't go on to reserve a home, only sections 2.2.5 and 5.2 apply.

Nothing in the Code affects a Buyer's existing legal rights or replaces Builders' legal obligations or existing legislation regarding the Home. Buyers do not have to make a complaint to the Independent Dispute Resolution Scheme for matters that are covered by the Code. They may decide to take alternative action instead, such as through the civil courts.

Purpose of the Code

The aim of the Code is for all Buyers:

- to be treated fairly by the Builder (and their Agent)
- to understand the Builder's legal status and identity as a company, so the Buyer understands who they have bought their new home from
- to be given clear and reliable information on which to make informed decisions about purchasing a Home
- to know what standards the Builder must deliver for the Home
- to know what service levels to expect from the Builder (and their Agent)
- to receive clear advice about the main aspects of the Home that the Buyer will need to maintain
- to know how to access timely arrangements for resolving Disputes if they are dissatisfied
- who may be Vulnerable to be identified and given suitable support to help them make decisions.

Further Information

You can get more information, including copies of the Code documents and advice on frequently asked questions and the results of audits, surveys and adjudications from the Consumer Code website: www.consumercode.co.uk

You can contact the Consumer Code for Home Builders secretariat by emailing: secretariat@consumercode.co.uk

Meaning of Words

Wherever any of the following words or expressions are used in the Code and Guidance (including in the Introduction, Purpose of the Code, Scope of the Code, and Introduction to the Independent Dispute Resolution Scheme), it has the meaning given below unless the context requires otherwise.

Term	Meaning
Adjudicator	The person appointed by the Independent Dispute Resolution Scheme to decide the Dispute.
After-sales Service	The service provided by the Builder to deal with any emergency issues; Snags; Defective, Faulty or Incomplete Works; or Complaints for at least two years after the date of Legal Completion.
Agent	A person, firm or company used by a Builder to deal with any matter on their behalf (for example, an estate agent or contractor).
Building Regulations	The Building Regulations that govern the construction of the Home which were in force when the "notice to build" was deposited with the local authority or Approved Inspector (or, in Scotland, at the time the application for the building warrant was submitted to the local authority).
Builder	An individual or a company who: <ul style="list-style-type: none">• is registered with a Home Warranty Body, and• has registered the Home with a Home Warranty Body, and• develops the Home with the intention for selling to the public. This may be a subsidiary created by a parent company with a single purpose (known as a special-purpose vehicle or SPV).
Buyer	A Customer who goes on to reserve or buy a Home from a Builder registered with the Code's supporting Home Warranty Bodies, excluding those listed in the Scope of the Code (pages 9-10). <i>For Homes reserved or bought jointly by two or more people, the Buyer's rights will be joint.</i>
Complaint	An expression of dissatisfaction about an issue brought to the Builder's attention by the Buyer (this may be verbally or in writing).
Consumer Code or Code	A set of Requirements that Builders must meet.
Contract Deposit	A deposit paid by the Buyer to the Builder at Contract Exchange that acts as part-payment towards the purchase of the Home and demonstrates the Buyer's legal commitment to buy it.
Contract Exchange	The term employed in England and Wales used to describe the formal stage at which the Contract of Sale is exchanged between the Builder and Buyer. In Scotland, it is known as Conclusion of Missives . In Northern Ireland it is known as Formation of Contract . Where this document uses the term for England and Wales, the terms for the other countries are implied.
Contract of Sale	A legally binding agreement between the Buyer and the Builder to buy or build the Home. In Scotland, it is known as the Missive (or Builder's Missive).

Cooling-off Period	The 14 days after the Reservation Agreement is signed, during which the Buyer can decide to end the agreement and have their Reservation Fee refunded in full.
Customer	A person making enquiries about buying a Home but who has not Reserved a Home.
Decision	The Adjudicator's written findings in the Dispute, with their reasons, as sent to the Buyer and the Builder.
Defective, Faulty or Incomplete Work	Work not completed, damage or faults (caused by the Builder or their Agents) in completed work that do not meet the quality or finish set out in the Contract of Sale, including the new Home Warranty Body's standards or the manufacturer's standards for that part of the building or Home.
Development	The extent and facilities in the Detailed Planning Consent under which the Home is being constructed..
Dispute	A disagreement about a Complaint made by the Buyer to the Builder (under the Builder's published complaints procedure) where the parties do not agree on the outcome regarding matters covered by this Code.
Early Bird	Arrangements used by Builders whereby a Customer can register an interest in a Home which has not yet been released for sale but which is likely to be released for sale within a defined period of time.
Emergency Issue	An issue that poses an immediate threat to safety, security, health or well-being.
Event Fees	Fees payable under a term of, or relating to, a residential lease of a Home on certain events such as resale or sub-letting. Event Fees may have various names including exit fees, transfer fees, deferred management fees, contingency fees and selling-service fees.
Health and Safety File	As required by the Construction Design and Management Regulations, this is a collection of information appropriate to the characteristics of the project. It contains relevant health-and-safety information needed to allow the safe carrying out of future construction work, including cleaning, maintenance, alterations, refurbishment and demolition.
Home	The new-built, or newly converted property (including its gardens, boundary, fencing, communal areas and curtilage) sold by the Builder as set out in the Contract of Sale.
Home Warranty	An insurance-backed warranty that a Home Warranty Body issues to protect Buyers.
Home Warranty Body	An organisation, approved by the Code Board, which has signed the Membership Agreement. Details of Home Warranty Bodies are available on the Code website: www.consumercode.co.uk
Independent Dispute Resolution Scheme	An independently accredited process set up to deal with Disputes where a Buyer believes the Builder has failed to meet the Code's Requirements. (The process excludes items covered by the Home Warranty Body resolution schemes or other dispute resolution schemes (or both).)

Leasehold	The owner of the Home does not own the land the Home is on, but leases it from the landowner for a fixed period.
Legal Completion	The point at which the Home is transferred from the Builder to the Buyer. In Scotland, this stage is known as settlement .
Legal Completion Period	The time between the date the Builder gives the customer the notice to complete and the date of Legal Completion.
Long-stop Date	The last date agreed by the Buyer and Builder (or their Agents) by which the Home must be completed.
Major change	A change that significantly and substantially affects the size, appearance or value of the Home (including the layout inside) from what the Buyer was shown in the Reservation Agreement or Contract of Sale.
Management Services	The maintenance, supply and service obligations and charges (including Event Fees and Leasehold charges), which (if applicable to the relevant Home) the Buyer will be legally obliged to meet after buying the Home.
Notice to Complete	The formal notice issued by the Builder to tell the Buyer the date the Home will be ready for Legal Completion.
Part-exchange Scheme or Assisted-move Scheme	Schemes offered by some Builders to help Buyers move by offering to buy their existing home.
Pre-completion Inspection	An inspection of the Home carried out by the Buyer or their appointed Professional Adviser before the date of Legal Completion.
Professional Adviser	<p>A suitably qualified person requested, or appointed by, the Buyer to assist them with any or all aspects of the Home purchase. This may include dealing with Complaints that arise and are made to the Builder. Such advisers may include:</p> <ul style="list-style-type: none"> • conveyancing professionals appointed under a relevant professional institute's rules such as solicitors, licensed conveyancers, financial advisers or mortgage intermediaries • pre-inspection professionals such as qualified surveyors formally appointed under a relevant professional institute's rules complaint-handling professionals such as trading standards departments, Citizens Advice, consumer centres and solicitors.
Reservation, Reserve, Reserved or Reservation Agreement	When a Buyer and a Builder jointly make a written statement of intent (subject to contract and whether or not a fee is paid) to buy and sell a Home. Reserved and Reserve carry the corresponding meaning.
Reservation Fee	The fee payable by the Buyer on entering into a Reservation Agreement with a Builder.
Requirements	The obligations Builders must meet under the Code.
Snag or Snagging	A minor imperfection or fault (caused by the Builder or their Agents) in the Home which does not meet the quality or finish as set out in the Contract of Sale. A snag is usually something that is damaged, broken, not fitted properly or that looks unfinished. Snags may be identified during a Pre-completion Inspection or after Legal Completion.

Tenure

The conditions under which land or buildings are held or occupied. This is usually freehold (where the owner of the home owns the land it is built on) or Leasehold (where a third party owns the land and the homeowner pays to lease the land for a specified period).

**Vulnerable or
Vulnerable Customer**

Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care. Vulnerability may come in many forms and may be temporary, sporadic or permanent. It may need a flexible, tailored response from Builders.

Scope of the Code

This edition of the Code applies to all Buyers who have signed a Reservation Agreement³ on or after 1 January 2024 for a new or newly converted Home that has been built in the UK⁴ by a Builder registered with one of the Home Warranty Bodies, subject to the exclusions listed below.

All Builders must fully comply with the Code.

The Code applies to the Home from the date of signing the Reservation Agreement until two years after the date of Legal Completion as set out in the Requirements.

The Code and the Independent Dispute Resolution Scheme do not apply to:

- homes that at the time of reservation by the first Buyer are covered by the New Homes Quality Code
- homes bought under a shared-ownership scheme⁵
- second-hand homes (for example, those taken by Builders in part-exchange and re-sold)
- new-build Homes that were not sold by a Builder registered with a Home Warranty Body
- new-build Homes for which a New Home Warranty has not been issued by a Home Warranty Body
- homes that remain under the Builder's ownership
- homes acquired by social landlords for rent
- homes acquired by corporate bodies, partnerships, charitable organisations, commercial landlords or other non-consumer purchasers such as individuals acting in the course of trade or business buying a Home for investment purposes
- homes acquired by a receiver and sold on to consumers
- homes built by self-builders or under contract between a Builder and an individual for their own occupation
- homes assigned or sub-sold by an investor to a third party before their ownership transfers from the Builder to the Buyer
- homes built under a professional consultant's certificate, unless a Home Warranty Body has also issued a New Home Warranty.

³ For customers who enter into an Early Bird arrangement but who don't go on to reserve a home, only sections 2.2.5 and 5.2 apply.

⁴ Homes in the Isle of Man may also be covered but Buyers should ask their Builder or check the information provided when they reserve their plot.

⁵ Complaints from Buyers who have purchased under a shared-ownership scheme may be considered under an existing statutory Ombudsman Scheme. However, this can be a complex matter. It will depend on the contractual relationship with the housing association (or landlord) and Builder. Help may be sought from a Professional Adviser.

The Code does not cover Disputes that concern:

- matters that are covered by the New Home Warranty
- damaged or faulty items not caused by the Builder or their Agents
- Snags not reported to the Builder within the Builder's stated timescales for reporting such matters
- claims that exceed the Independent Dispute Resolution Scheme's limits unless the complainant opts to restrict their claim to the Scheme limit
- personal injury claims
- loss of property value or blight
- claims about land conveyed or its registered title
- complaints already dealt with by an alternative dispute-resolution process including courts and ombudsman schemes.

Matters within the scope of other dispute-resolution or ombudsman schemes should be referred to the relevant organisation. In such cases, these schemes may take precedence over the Code and the Independent Dispute Resolution Scheme.

1. Complying with the Code

1.1 Adopting the Code

Requirement	Guidance
1.1.1 This Consumer Code is mandatory for all Builders.	Builders should incorporate the Requirements into their own customer charter.
1.1.2 Builders must comply with the Requirements.	<p>Builders' relevant trade bodies (e.g. Home Builders Federation, Homes for Scotland, Federation of Master Builders and House Builders Association) and the Home Warranty Bodies may provide advice and information to their members on how to fulfil their obligations under the Code and provide appropriate information and help to their Customers and Buyers.</p> <p>Builders do not have to follow the Guidance. But if they take a different approach, the Customer or Buyer must not be worse off than they would have been if the Builder had followed the Guidance. The Builder should provide a similar level of information and achieve an outcome that is to the same or better level or standard than the Guidance suggests.</p>

1.2 Making the Code Available

Requirement	Guidance
1.2.1 The Builder must make the Code available, free of charge, to any Customer interested in buying a Home and it must be made available in appropriate formats where requested.	The Builder may provide the Code scheme documents in hard copy or electronic form. The Builder should make the Code available in various formats (e.g. large print) and media, and fulfil reasonable requests for an alternative format within a reasonable period of time following a Customer's request.
1.2.2 The Code must be readily accessible to Customers from the Builder's website, and on any software applications that may be used and referred to in sales literature.	The Code logo should precisely follow the design shown in the logo guidelines on the Code website Brand Guidelines .
1.2.3 The Builder must prominently display the Code logo in public areas related to the Home sales process (including areas such as sales offices and offices of appointed selling Agents), and in sales brochures and on websites.	The logo should be prominently displayed at the minimum prescribed size on the Builder's website and in sales offices (including those of appointed selling Agents) and printed in sales brochures. It should also be displayed on any software applications that the Builder uses throughout the sales and after-sales process.
1.2.4 In making the Code available, the Builder must consider the needs of, and comply with, guidance on Vulnerable Customers in section 1.6 – Vulnerable Customers.	At all times, the Builder should consider the Customer's vulnerability.

1.3 Customer Service Standards

Requirement	Guidance
1.3.1 The Builder must ensure that they have systems and procedures in place to enable them to accurately and reliably meet their commitments to compliance, service, procedures, information and monitoring in relation to the Code. This includes being able to comply with any awards (including financial) made under the Code's Independent Dispute Resolution Scheme.	<p>For good practice, the Builder should have systems in place for monitoring their staff and their training. See section 1.4 (Training of Customer Service Staff).</p> <p>The Builder may find it helpful, when providing a high level of customer service and adopting an approach to continual improvement, to consider the BSI ISO Standard 9001, which can be found here: bsigroup.com - iso-9001 - quality-management</p>

1.4 Training of Customer Service Staff

Requirement	Guidance
1.4.1 The Builder must provide training on the Requirements to all staff (including those employed by any Agents used) who deal with Customers.	<p>The Builder should ensure that all Customer-facing staff have a good understanding of the Requirements regarding sales and advertising, high-pressure selling techniques, standards expected, information requirements, Part-exchange Schemes, reservation procedures, warranties and After-sales Service.</p> <p>It is especially important that customer-facing staff are able to identify Vulnerable Customers and have appropriate procedures in place in line with the guidance in section 1.6 - Customer Vulnerability.</p> <p>Customer service standards, procedures, training and systems should be provided to all relevant Customer-facing staff including permanent, temporary and agency staff.</p> <p>The Builder should maintain a record of training undertaken on the Code. This can be achieved by taking the Code training package. Not all staff are expected to have received the same level of training. Its extent will depend on their role.</p> <p>The Builder should ensure that staff training, including that for Agents, is refreshed at least annually.</p>

1.5 Sales and Advertising

Requirement	Guidance
1.5.1 The Builder must ensure that the content of any sales and marketing material relating to the Home is clear and truthful and uses plain English. The content must comply with all relevant codes of advertising and the law.	The Builder should act within the law at all times in their sales process. If there is any uncertainty as to whether advertising or sales material is legally compliant, before presenting it to Customers or Buyers, the Builder should check that it complies with all relevant legislation.
1.5.2 The Builder must state in their sales and marketing literature that they subscribe to and comply with the Code.	High-pressure selling techniques should not be used to influence a Customer or Buyer's decision including: <ul style="list-style-type: none">• encouraging a Reservation by implying that there are other interested parties or that there is an imminent price increase due if neither is true• offering a financial incentive for an immediate decision on a Reservation or a sale• encouraging a Reservation by refusing the opportunity to personalise the new Home if the stage of construction would still allow it• encouraging the purchase of any additional insurance products, warranties or guarantees• suggesting that a sale may not go ahead unless a Customer uses a specific third party, such as conveyancer or mortgage broker.
1.5.3 The Builder must not mislead Customers or Buyers, including on the following matters: <ul style="list-style-type: none">• Size of property.• Leasehold.• Specification of property.• Energy-performance ratings.• Pricing of property.• Mobility adaptations.• Legal completion date.• Warranty provisions.• Management services.• Future phases of the Development.• Costs, coverage or benefits of any additional products such as insurances or warranties and guarantees.	The Builder should ensure that all staff and Agents (including part-time staff and agency workers), are aware of their responsibility and requirements on high-pressure selling techniques under the Code (see also section 1.4).
1.5.4 The Builder must not use high-pressure selling techniques to influence a Customer or Buyer's decision.	
1.5.5 If the Builder receives any commission for recommending certain products or services, this must be declared to the Buyer (see also section 2.3.3).	

1.6 Customer Vulnerability

Requirement

- 1.6.1 The Builder must acknowledge and cater for the needs of Vulnerable Customers and help them make informed decisions.

Guidance

The Builder should take all reasonable steps to ensure the following things:

- That necessary arrangements are made to give Vulnerable Customers appropriate information and advice suitable to their needs, and that staff do not make assumptions about their degree of knowledge.
- Vulnerable Customers understand the Code, the purchase and their responsibilities. For example, if there is a language barrier, the Builder should recommend that the Customer or Buyer brings along a representative.
- If a Customer or Buyer declares a vulnerability at the start of negotiations or it is obvious they have a vulnerability (e.g. a physical impairment), the Builder should consider how it may affect the proposed transaction.
- If the Customer or Buyer does not declare a vulnerability, but it becomes apparent that there may be one, the Builder should seek clarification from the person or their representative (or both). Enquiries should be made considerately, in a way that is unlikely to offend, and in a way that will not be thought discriminatory.

The Builder should ensure that staff engaged in the sales process understand their obligations towards identifying and supporting Vulnerable Customers. Refer to section 1.4 – Training of Customer Service Staff.

When dealing with Vulnerable Customers, the Builder may find it helpful to consider the BSI ISO Standard 22458, which can be found here:

<https://www.bsigroup.com/en-GB/industries-and-sectors/health-and-safety/bs-iso-22458-consumer-vulnerability/>
and/or the information provided by the Chartered Trading Standards Institute on their Business Companion:
[Consumer_Vulnerability.pdf](#)

If the Builder is informed of, or perceives there to be, vulnerability, they may also consider seeking further information from a suitable organisation specialising in that vulnerability.

More about vulnerability can be found here:

- www.gov.uk for a full list of organisations that offer advice and information on specific mental-health issues
- www.ableize.com which is run by people with disabilities and provides links to local and national support and advice groups.

2. Pre-contract

2.1 Pre-contract Information

Requirement

- 2.1.1 The Builder must give Buyers or their Professional Adviser (or both) enough pre-contract information to help them make suitably informed purchasing decisions.
- 2.1.2 In all cases this information must include:
- a written Reservation Agreement
 - an explanation of the cover provided by the Home Warranty and contact details of the Home Warranty Body providing it
 - a description of any management services and organisations to which the Buyer will be committed and an estimate of the associated costs
 - the nature and method of assessment and calculation of any Event Fees
 - whether the Home is Leasehold or freehold
 - the Detailed Planning Consent reference number under which the Home is being built and details of any future build phases of, and the facilities on, the expected completed Development if this is known and for which there is Planning Consent
 - a list of contents in the Home that are included in the price including white goods, curtains, carpeting, wall tiling, door-entry systems, power points and sanitary-ware fittings
 - a specification for the Home including the type of materials providing the building's main structural frame (masonry, timber, steel frame or other)
 - information about the standards the Home is being built to, including confirmation that it will meet the UK Building Regulations, the relevant home Warranty Body's standards and the Home's expected energy-performance standards

Guidance

The information the Builder provides to the Buyer should be fair and reliable, in plain English, without jargon, and include the following things:

- Information about Management Services (Scotland: 'factoring') (and the organisations that will provide them). This includes explaining to Buyers of freehold properties any costs and liabilities they will be committed to, relevant to the type of property they are buying, as a result of the wider Development works including:
 - roads and sewers that will not be adopted by the local authority
 - electrical or mechanical plant or facilities
 - new recreational areas and facilities
 - other covenants or features of the Development that exist outside the immediate Home boundary and cause the Buyer to have some kind of financial or legal liability.
- Information about Event Fees, where applicable. If the Builder does not know the actual value of costs or charges, they should give the Buyer an indicative costs schedule without including the values. This should include:
 - explaining when such fees may be triggered such as on the sale of the Home, sub-letting the property, or taking out an equity-release mortgage
 - any service charges that may increase or be charged in the future as more facilities become available
 - any sinking-fund charges that may be introduced for repairs or maintenance.
- Information about Tenure such as Leasehold should include:
 - clear details of the length of the lease
 - costs to which the Buyer will be committed over the course of the lease
 - any lease conditions that could significantly affect the value of the Home in later years
- Details of known or expected costs or charges for regular maintenance of built-in equipment at the Development. These include the shared heating system, equipment that collects grey water and air-source heat pumps if these are not already included in the Management Fees or Event Fees (for example, following a change of circumstances. If the Builder does not know the actual value of costs or charges, they should give the Buyer an indicative costs schedule

<ul style="list-style-type: none"> any exceptional restrictions on using, living in or the appearance of the Home and its grounds. This does not include standard terms covered in the title deeds, plot transfer of ownership or equivalent document. The Builder must recommend that the Buyer asks their appointed Professional Adviser about any exceptional restrictions that apply details of any services, facilities and responsibilities that may not immediately transfer from the Builder to the Buyer on Legal Completion (for example, responsibility for the water and drainage systems and utilities). If these will transfer to the Buyer on a later date, the Builder must explain this in full and give the Buyer written details. <p>2.1.3 If the Home is not yet complete, the Builder must also give the Buyer:</p> <ul style="list-style-type: none"> the Builder's provisional estimate of when the Home will be ready for occupation a brochure or plan showing the size, specification, general layout, plot position and orientation of the Home. <p>2.1.4 The Builder must inform Buyers, in writing, how their questions will be addressed and who to contact (with names and contact numbers) during the sale, purchase and transfer of ownership of the Home.</p> <p>2.1.5 The Builder must give the Buyer a copy of the Builder's Complaints Procedure (see section 5.2 - Complaints and Disputes).</p>	<ul style="list-style-type: none"> Information about any additional costs that they know or expect will arise for the Home (as far as is reasonably possible) as well as any restrictions that apply to services (for example, gas, electricity, broadband, water, sewerage or other standard services) and the service providers. The Detailed Planning Consent reference number should be given. The number of dwellings and primary facilities to be provided in that consent should be stated, for example open space, recreational areas, retail, commercial, infrastructure. Brochures or plans reliably showing the Home's general layout, appearance, plot position and orientation, as well as the utilities and where they are located, and energy-performance ratings of the Home. Information on any steep slopes in the garden and grounds of the Home. Information on how surfaces, fences and boundary walls will be finished. All outbuildings and garages should be clearly marked and include details of finishes and construction if these will be different from the structure of the Home. Information on any car-parking arrangements including size, number available and location on the Development (if not outside the Home). The indicative costs schedule should give a reasonable estimate of the likely costs directly associated with the Tenure and management of the Home over the next 10 years, which the Builder may reasonably be expected to be aware of (based on experience). The Builder should explain how such costs will be calculated (and any risk to the Buyer, particularly about likely increases); any influence the Buyer may have over the charges; and any caveats they may need to know about. The schedule should include any obligation to contribute towards the cost of maintaining or replacing services and facilities. It need not include everyday maintenance and replacement costs for things such as systems, equipment and appliances inside the Home, or utilities. However, the indicative costs schedule should clearly show who owns and is responsible for the surrounding land, services and facilities (for example, street lighting, parks, landscapings). It does not need to set out estimated possible costs that will depend on decisions made by a management or service company that are not necessary costs associated with maintaining the Home and its facilities.
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The Builder should record the plans, list of contents and any elevational drawings they have shown to a Buyer. The Builder should ensure that the Buyer acknowledges having seen these.

If the Home is complete and the Buyer has had the opportunity to view the finished Home, then the Builder does not need to provide a brochure, plan or illustrations of the Home, but should still provide a list of the contents.

Buyers' questions should be acknowledged within five calendar days and responded to within a reasonable period of time. If the Builder cannot give a full response, the Buyer should be kept informed of progress.

2.2 Reservation Agreements

Requirement

2.2.1 The Builder must give the Buyer a Reservation Agreement, written in plain English, which has been signed by both parties (digitally or in person) and which sets out clearly the terms of the Reservation, including:

- the company name or the legal title of the seller of the Home
- the amount of the Reservation Fee
- the Buyer's right to cancel within the Reservation period and the range of possible monetary costs the Builder may retain
- the terms under which the Reservation Fee is refundable and non-refundable and any administration fees or similar that the Builder may deduct
- that it is "Subject to Contract"
- details of the Home including the property type, plot number, Development name, postal address (if available), parking arrangements
- the purchase price of the Home
- how long the price and the Reservation Agreement remain valid

Guidance

The Builder should provide enough information for the Buyer to properly understand the Reservation Agreement.

When providing a copy of the Code and the Reservation Agreement to the Buyer, it is acceptable for these to be electronic versions. If these are emailed to the Buyer at their request, the Builder should get confirmation that they have been accepted.

When the Buyer has signed a Reservation Agreement, the Builder's legal adviser should send the Buyer's legal representative the proposed Contract of Sale, the legal title, a copy of the Code and any other relevant documents and approvals, including information about town planning and statutory approvals and consents. This may be in hard copy or electronic format.

If the Customer asks for further guidance or clarity before Reservation, the Builder should explain where they can obtain it.

The Reservation period may be extended by agreement between the Buyer and Builder. If the deadline date is not extended and contracts have not been exchanged, the Reservation Agreement automatically expires. If this happens, the Builder should refund the Reservation Fee less reasonable cost retentions as set out in the Reservation Agreement.

<ul style="list-style-type: none"> • how and when the Reservation Agreement will end • date by which Contract Exchange must take place • any dependent or conditional matters for example part-exchange details, if applicable • details of how the Buyer can include in the Contract of Sale any spoken statement that is to be relied upon • the nature and annual estimated cost of any Management Services (Scotland: 'factoring') and other costs that the Buyer must pay, as specified in section 2.1 - Pre-Purchase Information • whether the Home is freehold or Leasehold • the nature and method of assessment of any Event Fees • scope and process for administering changes to the Home (such as paint colour, design changes, specification changes) • how the Buyer can cancel the Reservation Agreement, including as a result of a Major Change (as set out in section 3.3) • that there is a 14-calendar-day Cooling-off Period, during which the Buyer can cancel the Reservation Agreement and receive a refund of the full Reservation Fee. 	<p>If the Reservation Agreement is cancelled, the Builder should return the Reservation Fee to the Buyer within 14 calendar days. The Builder may retain an amount that represents the reasonable costs they have genuinely incurred in processing and holding the Reservation, which they may need to evidence if challenged. The Reservation Agreement should state what the possible range of cost retentions may be.</p> <p>It may be that a fee is charged for an Early Bird arrangement. If so, the Builder should fully refund it if the Customer tells the Builder - within 24 hours of being told the plot is being released for sale (or within a longer period that the Builder tells the Customer about before they pay the fee) - that they do not want to go ahead with the purchase.</p> <p>It may be that the Customer tells the Builder they do not want to go ahead with the purchase after this time. If so, the Builder may deduct administration costs from the refund they pay, as long as they explained this to the Customer when they paid the fee. The Builder should tell the Customer the possible range of cost retentions.</p> <p>The Buyer may use the Independent Dispute Resolution Scheme to challenge any deductions they consider excessive (regarding an Early Bird arrangement or a Reservation Agreement).</p> <p>It may be that the terms of a Reservation Agreement relating to incentives (for example, discounts, part-exchange or similar) have to be altered. If so, the Builder and Buyer should cancel the existing Reservation Agreement and enter into a new agreement without any deduction from the Reservation Fee.</p> <p>At Reservation, the Builder should inform the Buyer of the main aspects of the Home that are the Buyer's responsibility to maintain, such as boilers and appliances. This should include advice on initial 'running in' of the Home including appropriate ventilation and acclimatisation of the building, and expectation of possible shrinkage and minor adjustments that may arise.</p>
<p>2.2.2 The Builder must refund the Reservation Fee (less any stated deductions if appropriate) within 14 calendar days of the date of any notice of cancellation given by the Buyer.</p>	
<p>2.2.3 The Reservation Fee must be fully refunded if the Buyer wishes to cancel the Reservation for any reason within 14 calendar days of signing the Reservation Agreement. Refer to section 3.4 - Protecting Buyer Deposits and Pre-Payments.</p>	

- 2.2.4 While the Reservation Agreement remains valid, the Builder does not have the right to terminate the Reservation Agreement and must not enter into a new Reservation Agreement or sale agreement with another customer on the same Home.
- 2.2.5 If a Builder offers an Early Bird arrangement and charges a fee, they must:
- not charge more than £150 (or any future maximum set under the Code)
 - make it clear to the Customer before any fee is paid, how long they have to accept the Early Bird offer and how long they will have to change their mind and still receive a full refund of the fee they have paid, and
 - tell the Customer of any administration fees or similar that may be deducted.
- 2.2.6 Subject to any data protection requirements, at the end of the Reservation Agreement period, the Builder should give the Home Warranty Body full details of the Buyer and the Home they have reserved if the Home Warranty Body requires this.

2.3 Appointment of Professional Advisers

Requirement	Guidance
2.3.1 The Builder must make Buyers aware that they should seek and appoint independent legal advice when carrying out the legal formalities of buying the Home.	If the Buyer asks the Builder for advice on how to seek suitable conveyancing services, the Builder should recommend they seek independent legal advice as well as, where appropriate, advice from an independent financial adviser, before Contract Exchange.
2.3.2 The Builder must not restrict the Buyer's choice of legal representative, financial adviser, mortgage intermediary, or qualified inspector. However, the Builder may recommend a practitioner from a panel.	If the Buyer asks the Builder to recommend an adviser, the Builder should recommend more than one and preferably no less than three to give the Buyer with choice. It may be that a Buyer is dealing with a Builder online (for example, through a website), through a software application or by email, and the site, software application or email includes a link to the services of a specific Professional Adviser (such as a legal representative, financial adviser or mortgage intermediary). If so, the Builder must clearly identify the specific third-party provider and ask the Buyer to confirm they want to continue before leaving the main page by following the link.
2.3.3 The Builder must inform the Buyer if they receive any fee, commission or any other reward or advantage for introducing any adviser (see also section 1.5.5).	The Builder's legal representative should send a draft Contract of Sale and all relevant documents to the Buyer's legal representative after completion of the Reservation Agreement.

2.4 New Home Warranty Cover

Requirement	Guidance
2.4.1 At Reservation and before Contract Exchange, the Builder must give the Buyer accurate and reliable information about the New Home Warranty provided for the Home.	<p>This information should include:</p> <ul style="list-style-type: none">• contact details for the relevant Home Warranty Body• a summary of the New Home Warranty cover, and• a list of insurance documents the Buyer will receive on Legal Completion.

2.5 Health and Safety for Visitors to Sites under Construction

Requirement	Guidance
2.5.1 The Builder must ensure their sites meet all relevant health-and-safety legislation and guidance.	<p>The Builder should consider the relevant needs of all site visitors when deciding whether access is suitable and safe.</p>
2.5.2 The Builder must inform Customers/Buyers about the health-and-safety precautions they should take if permitted to visit a live construction site.	<p>The Builder can refuse to give the Customer/Buyer (or anyone acting on their behalf) access if they do not take any health-and-safety precautions the Builder has told them they must take.</p>

2.6 Part-exchange Schemes

Requirement	Guidance
2.6.1 When a Builder offers Buyers a Part-exchange Scheme, the terms must be fair, transparent and must not be used to pressure a sale. The Builder must give the Buyer, particularly if they are a Vulnerable Customer, adequate time to consider the information provided.	<p>The terms of the Part-exchange Scheme must be explained in plain English and include full details of:</p> <ul style="list-style-type: none">• the full terms and conditions that apply, including any applicable Leasehold requirements• how a fair market valuation has been arrived at - which should be independent and come from more than one suitable qualified source• any deductions that will apply to the market valuation• how a Buyer can qualify for the Part-exchange Scheme• the date by which the Buyer must accept the offer• the consequences of not accepting the offer by the stated date• the expected date by which the part-exchange and purchase of the Home will be completed. <p>The terms set out for the Buyer should include:</p> <ul style="list-style-type: none">• the duration of the validity of the offer of part-exchange• the price offered for the part-exchange property. <p>The part-exchange and Contract of Sale will usually be exchanged at the same time, along with the Legal Completion of both transactions.</p>

3. Contract Exchange

3.1 The Contract of Sale

Requirement

- 3.1.1 The Builder must ensure that the Contract of Sale terms and conditions:
- are clear, fair and written in plain English
 - comply with all relevant legislation
 - define the Legal Completion notice period, which is from serving a Notice to Complete until Legal Completion
 - clearly state the circumstances in which the Buyer can terminate the Contract of Sale as set out in section 3.3 – Contract of Sale Termination Rights
 - clearly state what will happen if construction of the Home is delayed and the Home will not be ready for ownership by the Buyer by the date stated by the Builder
 - clearly explain how Contract Deposits are to be protected as set out in section 3.4 – Protecting Buyers' Deposits and Pre-Payments.
- 3.1.2 The Builder must formally consult the Buyer and get their agreement to a Major Change that occurs after Contract Exchange to the design, construction or materials to be used in the Home, if this significantly and substantially alters the size, appearance or value of the Home from what was shown to the Buyer in the Reservation Agreement and Contract of Sale.
- 3.1.3 The Builder must tell the Buyer of their right to terminate the Contract of Sale and the specific circumstances when they could use it, if the Major Change is unacceptable to the Buyer, before Legal Completion. The Buyer must have the right to terminate the Contract of Sale and be refunded their Contract Deposit and Reservation Fee and any other pre-payments without deductions. (See also section 3.3 – Contract of Sale Termination Rights.)

Guidance

Disputes over spoken statements should be avoided. So the Builder and the Buyer should ensure that immediately before Contract Exchange they state in writing through their legal representatives what spoken statements they are relying on when entering into the Contract of Sale.

The Builder should notify the Buyer of changes (other than Major Changes) to the Home that do not significantly or substantially alter its size, appearance, performance or value from that shown to the Buyer in the Reservation Agreement and Contract of Sale. However, such changes do not give the Buyer the right to cancel the Contract of Sale. The Buyer's formal agreement to them is not required.

If changes occur, the Builder should tell the Buyer to ask their Professional Adviser for advice.

In Scotland, if the Builder changes the materials that will be used in the Home, they should ensure that the new materials still meet the relevant building warrant. Nothing in this section about discussions with the Buyer takes away this legal obligation.

The Builder does not need to notify the Buyer of changes of construction materials that do not affect the Home's size, appearance, value or the ability to insure or provide security for a mortgage.

Important note on extra work and extra items

It may be that the Builder agrees to do extra work or incorporate extra items that the Buyer will pay for, but these are not specifically included in the Reservation Agreement or Contract of Sale. If so, they should be set out and agreed in writing using a separate quotation and written order signed by both parties. The Builder should make clear the terms of this agreement, including cancellation and refund rights.

This extra work may cause the Builder to need more time to complete the Home beyond that originally stated in the Contract of Sale. If so, this should be agreed and recorded by the Professional Advisers acting for the parties. (See also section 3.2 – Timing of Construction, Legal Completion and Handover.)

The Code does not cover agreements for extra work or agreements between the Buyer and third-party contractors.

- 3.1.4 The Builder must formally consult the Buyer about any Major Changes to the design, construction or materials of the Home occurring after the Reservation Agreement. It is not sufficient for the Builder to simply put these Major Changes in the Contract of Sale. The Builder must make the Buyer aware of the Major Changes in writing and obtain the Buyer's agreement to them.

3.2 Timing of Construction, Legal Completion and Handover

Requirement

- 3.2.1 The Builder must give the Buyer reliable and realistic information about:
- when construction of the Home is scheduled to be finished
 - the date at which ownership of the Home will transfer from the Builder to the Buyer on Legal Completion.

Guidance

The Builder should ensure that all information provided to the Buyer on timings is accurate at the time it is provided. The Builder should give updates at appropriate times throughout.

What the Builder tells the Buyer about when the Home is likely to be ready will depend on the relevant construction stage when they provide the information.

The Builder may follow their own process and methods. However, they may use the following approach:

- Before completing the foundations and ground floor - give the calendar quarter when the Home is likely to be ready.
- When the roof is completed and the building weatherproof - give the month when the Home is likely to be ready.
- When the Home is decorated and main services are connected - say what week the Home is likely to be ready.

The construction stages and time periods will vary according to the type of Development; for example, whether the Builder is building flats or houses.

It is important that the Builder considers carefully the expected date given in the Contract of Sale and that it is consistent with the information they give the Buyer before Contract Exchange.

The Buyer has the right to withdraw from the Contract of Sale if there has been unreasonable delay beyond the date given in the Contract of Sale. (See also section 3.3 - Contract of Sale Termination Rights.)

	<p>In the Contract of Sale, the Builder should give the expected date by which notice of Legal Completion should be served. This date should be based on the guidance above or follow similar guidelines.</p> <p>It may be that the Builder has agreed to do additional works for the Buyer beyond those in the Reservation Agreement and Contract of Sale, which will change the timescale for completing the Home. If so, the parties' legal advisers should record such a timing change. The time extension may require the Long-stop Date to be amended. (See also section 3.1 - The Contract of Sale; and section 3.3 - Contract of Sale Termination Rights.)</p> <p>The Contract of Sale should clearly define the notice period within which Legal Completion will occur, for example: "14 days from the serving of Notice to Complete".</p> <p>If a Home is complete, the Contract of Sale may state a fixed date for Legal Completion.</p>
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3.3 Contract of Sale Termination Rights

Requirement	Guidance
3.3.1 The Builder must inform Buyers about their right to terminate the Reservation Agreement and Contract of Sale.	<p>Examples of circumstances when a right to terminate exists would include:</p> <ul style="list-style-type: none"> a Major Change to the Home that the Buyer has not agreed to and which directly or materially affects the Home's value or appearance excessive or unreasonable delay in completing the construction of the Home and serving the Notice to Complete. <p>Unreasonable delay should be clearly defined by including a Long-stop Date in the Contract of Sale, for example by using the following clause:</p> <p><i>"The Buyer may terminate the contract if the Builder fails to serve notice on the Buyer to complete the sale within [x] months from the expected date stated in the Contract of Sale."</i></p> <p>The period "[x] months" should be no more than six months for houses or 12 months for apartments if the Contract of Sale is exchanged before the roof is complete and the building weatherproof. This period should be no more than two months for houses or four months for apartments if the Contract of Sale is exchanged at an advanced stage of construction.</p> <p>The aim of the Long-stop Date is to take into account possible delays in matters such as third parties providing services or facilities to the Development that are essential to occupation for example, electricity substations or sewerage plant and other matters outside the Builder's reasonable control).</p>
3.3.2 The Builder must repay the Contract Deposit, Reservation Fee and pre-payments in full without deductions within 28 calendar days if the Buyer terminates the Contract of Sale because of Major Changes to the Home or for an unreasonable delay, as defined in the Contract of Sale. (See also section 3.3 - Contract of Sale Termination Rights.)	

If the Builder fails to serve notice on the Buyer to complete the sale before the Long-stop Date, the Buyer may have the right to cancel the Contract of Sale. They may also be able to seek out-of-pocket expenses through the Independent Dispute Resolution Scheme.

If the Builder cannot repay the Contract Deposit, Reservation Fee and any other pre-payments within 28 calendar days because they need to comply with legislation, they should explain this to the Buyer. They should keep the Buyer updated regularly on when any repayment may be made.

The Buyer may use the Independent Dispute Resolution Scheme to challenge any delay in repaying such money that they consider excessive.

3.4 Protecting Buyer Deposits and Pre-Payments

Requirement

- 3.4.1 The Builder must have in place and explain to the Buyer the arrangements for protecting Contract Deposits and any pre-payments paid by Buyers, including Reservation Fees.

Guidance

The Builder may protect Buyers' payments in the following ways:

- Insuring the full Contract Deposit through the Home Warranty.
- Placing the Contract Deposit, Reservation Fee and any other pre-payments in a suitable client account designed for holding client money.
- Any other arrangement within the Builder's course of business that they can reasonably use to repay the above amounts if necessary. This must apply to the whole of the contract deposit or any uninsured amounts (if the Builder has arranged insurance in line with the above).

The Builder should ensure the Buyer understands what will happen if the Builder becomes insolvent and how their Contract Deposit, Reservation Fee and pre-payment will be refunded.

The Builder should also explain the terms under which:

- the Reservation Fee, Contract Deposit and any administration fees or similar that the Builder may deduct are refundable, and
- any costs or penalties are payable if the Buyer does not proceed with the Home purchase.

If the Buyer has paid extra money for adaptations or upgrades but then cancels the Contract, the Builder should refund the payments less any reasonable costs they have had to pay in connection with the adaptations or upgrades. The Buyer may use the Independent Dispute Resolution Scheme to challenge any deductions they think are excessive.

4. Legal Completion

4.1 Legal Completion

Requirement	Guidance
<p>4.1.1 At the point of Legal Completion, the Builder must:</p> <ul style="list-style-type: none"> have completed the construction of the Home to the standards identified in section 2.1.2 have carried out their final quality-assurance inspection of the Home and given the Buyer a schedule of any Defective, Faulty or Incomplete Works, and a statement of timescales for completing /remedying them along with the need for access at suitable times to enable the problems to be put right have agreed or given the Buyer an appointment for a home demonstration give the Buyer the Home Warranty documents showing that cover is in place have given the Buyer, or their Professional Adviser, the opportunity (in writing) to visit and carry out a Pre-Completion Inspection give the Buyer a copy of the Builder's Complaints Procedure (see section 5.2 - Complaints and Disputes) give the Buyer the Health and Safety File for the Home in compliance with relevant legislation give the Buyer a statement of incomplete works, not being a part of the Home, but which serve it and directly affect it, as part of the Development under the relevant Planning Consent, and indicative timescales for their completion. (Examples include utilities, roads, open spaces, recreational areas, landscaping.) give the Buyer an explanation of how the appliances included in the Home operate give the Buyer full details of any guarantees and warranties that relate to the Home and appliances give the Buyer a copy of the Building Regulation Control Certificate and Inspection Records if requested ('Habitation Certificate' in Scotland). 	<p>Legal Completion can only take place on a complete Home that meets the UK Building Regulations and all building safety requirements that apply. Legal Completion must not take place on a Home that is not a complete Home.</p> <p>A complete Home means:</p> <ul style="list-style-type: none"> there is proof that a new Home Warranty insurance has been given for it all rooms, spaces and facilities are in a finished condition for the purpose they were designed and intended for the property has a safe entrance and emergency exit routes, and any further work needed: <ul style="list-style-type: none"> a) is just decorative or to correct any faults b) relates to shared areas (and facilities for apartments and flats such as a gym, laundry facilities, bike storage areas and storage facilities) c) relates to moving from temporary to permanent utilities and services and this does not affect the Buyer's ability to live safely in the home and will not cause significant disruption or inconvenience. <p>In Scotland only, a Home is complete if the local authority Building Control has confirmed the property is ready to be lived in.</p> <p>The Buyer's visit to inspect the property (which may incorporate the Pre-completion Inspection), should be arranged by appointment between the parties at a reasonable time shortly before Legal Completion to enable the Buyer to see the Home in its virtually complete condition, but with sufficient time to enable the Builder to remedy any outstanding Defective, Faulty or Incomplete Works before Legal Completion.</p> <p>The visit should be at least 14 calendar days before Legal Completion (unless the Builder and the Buyer agree otherwise) so as to make sure there is enough time for all the necessary legal requirements to be met and to allow for the Pre-Completion Inspection.</p> <p>The Builder should help enable access for Buyers (and any Professional Adviser) in line with the relevant health-and-safety rules.</p> <p>The Builder should not prevent or deny Buyers the opportunity to inspect the Home before Legal Completion and should give the Buyer (and any Professional Adviser) reasonable time to make a Pre-completion Inspection.</p>

4.1.2 The Builder must not offer a Buyer incentives (financial or otherwise) to move into, or complete the purchase of, a Home that has not been completed to the standards in section 2.1.2.

To avoid doubt, the Pre-Completion Inspection is not intended to delay or prevent Legal Completion in line with the Notice to Complete, but the Builder must respond to the results of the inspection in line with the Requirements of section 5.1 - After-sales Service and Defect Resolution.

The Buyer may want a Professional Adviser to represent them to inspect the Home on their behalf. The Builder should provide the same facility as for the Buyer. (See also section 5.3 - Co-operation with Professional Advisers.)

The Pre-Completion inspection should be non-disruptive and non-invasive and should assess fixtures, fittings and services by way of checks comparable with normal daily use. Anything more intrusive should have the Builder's written consent.

The Builder may also wish to provide the Buyer with a 'Home Demonstration' appointment to explain and demonstrate the functions, facilities, equipment and operation of the Home. This should include an explanation of how the appliances included in the Home operate. Full operational documents should be given to the Buyer along with the Builder's explanation. If the Home Demonstration is carried out on the day of Legal Completion, the Builder should make suitable provisions for a follow-up if required by the Buyer.

The Builder should also provide a schedule of all available guarantees and warranties. It should include clear details of how long each guarantee or warranty lasts and any responsibilities the Buyer may have that might affect cover.

All documents issued to the Builder for each guarantee or warranty should be passed to the Buyer. They should be specific to the Home if that is required by the provider - generic sample documents should not be given to Buyers.

The Builder may explain that security for completing works not part of the Home, but serving it, is normally contained in legal agreements between the Builder and local authority (planning conditions, highways agreements, utility providers etc.).

The Builder should make sure the Buyer is kept informed of the progress in fulfilling commitments in the relevant planning consent.

The Builder should tell the Buyer of any future phases of work on the Development that they are committed to do.

As construction work continues, the Builder should identify and consider reasonable steps to reduce any detrimental impact on the Buyer.

The Builder should keep the Buyer informed of the design, size and position of any utility boxes or other estate infrastructure (such as lamp posts, bins and bicycle shelters) that will be installed after Legal Completion and that could significantly affect the Home.

4.2 Health and Safety for Buyers living on Developments under Construction

Requirement	Guidance
4.2.1 The Builder must tell Buyers about the health-and-safety precautions they should take when living on a Development where building work continues and the measures that the Builder applies to protect them.	<p>The Builder should inform Buyers who move into a Home on a Development that is still under construction about the health-and-safety precautions they should take.</p> <p>The Builder should give the Buyer the health-and-safety file for the Home in compliance with the relevant regulations.</p>

5. After Occupation Starts

5.1 After-sales Service and Defects Resolution

Requirement	Guidance
5.1.1 The Builder must give the Buyer a comprehensive and accessible After-sales Service for at least two years after Legal Completion.	Staff who provide the After-sales Service should be well-trained and knowledgeable on the Code (see section 1.4). In the absence of a freephone number, the Builder should give national or local rate telephone number to Buyers so they can access the After-sales Service. A premium-rate number should not be used.
5.1.2 This service should include the following things: <ul style="list-style-type: none">• Dealing with Snags that the Buyer notifies to the Builder during the two years after Legal Completion.• Rectifying Defective, Faulty or Incomplete Works in the Home that the Builder becomes aware of during the two years after Legal Completion.• Repairing or replacing appliances and mechanical and electrical equipment provided by the Builder that develop faults (excluding wear and tear, lack of maintenance, misuse etc.) during the two years after Legal Completion.• Remedying problems associated with any fixtures and fittings (excluding wear and tear, lack of maintenance, misuse etc.) provided by the Builder. This includes items not supplied as standard with the Home but for which the Buyer paid the Builder.	The Builder should give the Buyer guidance in the After-sales Service about: <ul style="list-style-type: none">• the timescales within which written responses to enquiries will normally be provided• an explanation of how notification of Snags and Defective, Faulty or Incomplete Works will be received• how arrangements for any inspections will be made• how confirmation of any relevant remedies will be provided• how arrangements for access to the Home will be made, where needed, and• the potential timescales, if known, for providing any relevant remedy according to the nature of the Snag or Defective, Faulty or Incomplete Works. In most situations the Builder should be able to settle an after-sales issue or problem within 30 days. If there is a significant reason for a delay, the Builder should explain it clearly to the Buyer, and should give updates at least once a month until the matter is settled. If the Buyer is not satisfied with the After-sales Service, they can make a formal Complaint under the Builder's complaints procedure.
5.1.3 The Builder must ensure that Snags or Defective, Faulty or Incomplete Works covered by the After-sales Service are resolved as soon as possible and within a mutually agreed timescale.	
5.1.4 To make sure the Buyer understands how to access the After-sales Service, the Builder must provide the Buyer with suitable information about the service. It must include: <ul style="list-style-type: none">• a written statement of their After-sales Service procedures• an explanation of their responsibility for remedying any Defective, Faulty or Incomplete Works arising in the property for at least two years after the date of Legal Completion, under the terms of the New Home Warranty	To avoid doubt, Emergency Issues are not Snags. If the Buyer is not satisfied with how these are dealt with, they can make a formal Complaint from the date of Legal Completion. The Builder should inform the Buyer of the main aspects of the Home that are the Buyer's responsibility to maintain, such as boilers and appliances. This should include advice on initial 'running in' of the Home including appropriate ventilation and acclimatisation of the building and expectation of possible shrinkage and minor adjustments that may arise.

- an explanation of how Snags and Defective, Faulty or Incomplete Works and service calls will be managed, including timescales; how they should be reported and the names and contact information of the Builder's staff to whom such issues should be addressed
- an explanation of the process for reporting and handling emergencies, including what qualifies as an emergency that the Builder will deal with
- a written explanation of what constitutes Defective, Faulty or Incomplete Works during the first two years after Legal Completion and the Builder's liability to remedy them, giving references to the relevant Home Warranty Body's standards
- an explanation of what is normal maintenance and 'running in', which are the Buyer's responsibilities, particularly for maintaining such things as boilers and appliances
- details of how the Buyer can make a formal Complaint about any issue or problem (including Snags and Defective, Faulty or Incomplete Works) if they are unhappy with how the Builder proposes to deal with it.

The Buyer should be informed what may be assessed as 'defective' and the Builder's liability to remedy things, giving references to the relevant Home Warranty Body's standards.

Full details of the Home Warranty should have been given to the Buyer at Reservation and before Contract Exchange.

If Snags and Defective, Faulty or Incomplete Works are not resolved within the agreed timescales, the Buyer will be able to raise a Dispute through the Independent Dispute Resolution Scheme. (See also section 5.2 - Complaints and Disputes.)

The obligation to provide information about the After-sales Service does not apply to second and subsequent owners. However, the Builder should still take responsibility for after-sales matters that are reported by a second or subsequent owner within two years after the date of Legal Completion of the original sale by the Builder.

5.2 Complaints and Disputes

Requirement

- 5.2.1 The Builder must have, and keep to, a system and procedures for receiving, handling and resolving Buyer's Complaints and Disputes (see section 5.2.4).
- 5.2.2 The Builder must give the Buyer a written statement of the process for making a formal Complaint and for resolving Disputes if the Builder and the Buyer fail to agree on the resolution. It should include details of how the Buyer can escalate such an issue to the following:
- The Builder.
 - The Home Warranty Body regarding any matters that fall under the Home Warranty Body's dispute resolution service or warranty cover.
 - The Independent Dispute Resolution Scheme.

Guidance

The Builder should give the Buyer information about the Independent Dispute Resolution Scheme operated as part of the Code. The Builder should make clear that the Independent Dispute Resolution Scheme can only deal with matters that fall within the scope of the Code, as described in the section detailing the Scope of the Code (pages 9-10).

The Builder must co-operate with any request from the administrators and Adjudicators of the Independent Dispute Resolution Scheme and provide all relevant information about a Dispute that a Buyer has referred.

As part of the Complaints procedure, the Builder should tell the Buyer that using their Complaints Procedure or the Independent Dispute Resolution Scheme does not affect their normal legal rights. The Buyer should be told how to access each stage of the Complaints Procedure as may be required, who to contact and with relevant names, addresses, telephone numbers and e-mail addresses.

- 5.2.3 The Builder's Complaints Procedure must be given to the Buyer and made available on the Builder's website.
- 5.2.4 The Builder's Complaints Procedure must clearly state the following:
- That the Builder will provide a written acknowledgement of the Complaint to the Buyer within five working days of the Complaint being made.
 - That the Buyer can expect a more detailed response from the Builder within 20 working days of a Complaint being made. Where applicable, the response should include one or more of the following:
 - An acceptance of the Complaint and what action the Builder is going to take to resolve the issue(s) raised.
 - An estimated timescale for the work required to resolve the issue(s) raised. The time may vary depending on, for example, the nature of the issues raised, investigation work needed, the lead time for sourcing materials, and the preparation work needed.
 - A rejection of the Complaint and details of the reason(s) why the Complaint is rejected.
 - Details of any further investigation work necessary to determine the outcome of the Builder's decision to either accept or reject the complaint, including timescales.
 - That a written final response will be provided as soon as possible after any further investigation has been carried out and that it will set out what part(s) of the Buyer's Complaint the Builder agrees with as well as (where appropriate), what part(s) the Builder disagrees with and why.
 - That if the Complaint becomes a Dispute, the Buyer may refer it direct to the Independent Dispute Resolution Scheme or the Home Warranty Body (or both) as appropriate:
 - if the Buyer does not receive any response from the Builder within 20 working days of a Complaint being made

- if the Buyer cannot reach an amicable resolution to the Complaint with the Builder within 56 calendar days of the Complaint being made
- if the Defective, Faulty or Incomplete Works or issues arising are not resolved within timescales agreed between the Buyer and the Builder.
- That using their Complaints Procedure or the Independent Dispute Resolution Scheme does not affect the Buyer's normal legal rights. If the issue is not covered by the New Home Warranty, the Home Warranty Body may give the Buyer details about the Code's Independent Dispute Resolution Scheme. See also section 5.1 – After-sales Service and Defects Resolution.
- That a Dispute may be brought to the Independent Dispute Resolution Scheme after 56 calendar days have passed since the Buyer first raised the Complaint with the Builder and no later than 12 months after the Builder's final response to the Complaint.

5.3 Co-operation with Professional Advisers

Requirement

- 5.3.1 The Builder must co-operate with appropriately qualified Professional Advisers (or agreed intermediary) appointed by the Buyer to help with the purchase of the Home, any pre-inspection and in the resolution of any Complaints before they become a Dispute.
- 5.3.2 The Builder must provide the same level of co-operation to an agreed intermediary representing the Buyer (e.g. a family member or friend) as they would to the Buyer.

Guidance

There should be proper, prompt and professional co-operation between the Builder and the Buyer's appropriately qualified Professional Advisers.

When dealing with a Buyer's Professional Adviser (or agreed intermediary), the Builder should ensure they comply with any relevant legislation, in particular on data protection. This may include getting appropriate written authority to act on someone's behalf.

Introduction to the Consumer Code Independent Dispute Resolution Scheme

The Code is underpinned by an Independent Dispute Resolution Scheme operated through CEDR Ltd. CEDR Ltd is approved by the Chartered Trading Standards Institute as the 'competent authority' acting on behalf of the Secretary of State for dealing with Disputes that are raised with the Builder from the Reservation date until two years after the date of Legal Completion.

A Dispute may arise if a Buyer believes the Builder has failed to meet the Code's Requirements and it falls outside the Home Warranty Body's resolution scheme for defects or damage. If so, the Dispute may be resolved by the Buyer applying to the Consumer Code's Independent Dispute Resolution Scheme. This means a trained adjudicator will review written submissions from both parties and issue a Decision based on their conclusions. The Adjudicator will decide whether or not a Builder has breached the Consumer Code's Requirements and if so, whether or not the Buyer has been caused detriment or suffered financial loss (or both) as a result.

The following is a summary of this process. More detailed information is available in the ['How are complaints dealt with?'](#) section of our website.

Complaint and response

- 1 A Buyer must first complain to their Builder and give the Builder the opportunity to investigate and put things right.
- 2 If the Buyer is not satisfied with the Builder's final written response, the Buyer should contact the Home Warranty Body that issued the Home Warranty on their Home.

Action by Home Warranty Body

- 3 If the Buyer refers the complaint to the Home Warranty Body, it will, if appropriate:
 - 3.1 Deal with the complaint under its Home Warranty policy or its own dispute resolution scheme, where appropriate, for defects or damage.
 - 3.2 If the complaint falls outside its own dispute resolution scheme for defects or damage, give the Buyer information about the Independent Dispute Resolution Scheme. The Buyer can then decide if they want to refer their Complaint to the Independent Dispute Resolution Scheme.

The Independent Dispute Resolution Scheme adjudication process

- 4 If a Buyer decides to refer a Dispute to the Independent Dispute Resolution Scheme, the following adjudication process happens:
 - 4.1 The Buyer must complete an application form and send it to the Independent Dispute Resolution Scheme with any evidence they wish to rely on. The Buyer's application form should contain all the information relevant to the Dispute and, where possible, identify the Requirements they allege have been breached. The Buyer should also provide copies of receipts or other evidence of expenditure if making a financial claim.
 - 4.2 The Independent Dispute Resolution Scheme will ask the Builder to respond to the Buyer's application and supporting evidence. At this stage the Builder may resolve the Dispute without a formal adjudication - this is called 'early settlement' and costs the Builder a reduced case fee of £150⁶ plus VAT.
 - 4.3 If early settlement does not happen, the Builder must submit their response to the Buyer's application along with a payment of £500⁶ plus VAT. The Independent Dispute Resolution Scheme will give the Buyer a copy of the Builder's response and will be invited to respond if they wish. At this stage, the Buyer cannot add any new complaints or issues to the Dispute.

⁶ Case fees are subject to annual review

- 4.4 The Adjudicator will consider both submissions and decide whether or not the Builder has breached the Consumer Code Requirements and, if so, whether or not the Buyer has been caused detriment or suffered financial loss (or both) as a result. Both parties will be expected to have acted reasonably and to have controlled their costs.
- 4.5 The Adjudicator will prepare a written proposed conclusion to the Dispute, with reasons for that proposed conclusion ("the Proposed Decision"), and send it to both parties. The parties will be invited to provide comments on any factual inaccuracies and/or errors in law.
- 4.6 The Adjudicator will consider any comments made and has the power to make any amendments they consider appropriate to the Proposed Decision before making their final Decision.
- 4.7 The Decision may be a performance award (where the Builder has to do something, such as apologise to the Buyer) or a financial award (where the Builder has to pay the Buyer money) or a combination of the two. The maximum value of the combined award available under the Independent Dispute Resolution Scheme is £50,000 including VAT.
- 4.8 The Adjudicator may make a discretionary award for upset and inconvenience, up to a maximum of £2,000. They will do so if, in their sole consideration and opinion, the Buyer has been caused more than minor inconvenience as a result of the Dispute or how the Builder handled it (or both). The Buyer will not receive an award for upset and inconvenience if the Adjudicator does not find a breach of the Code. The £50,000 maximum award includes any award for inconvenience.
- 4.9 The Decision cannot be appealed; it can only be accepted or rejected by the Buyer.

Awards: acceptance, refusal and liability

- 5 Under the rules of registration, the Home Warranty Bodies require each registered Builder to honour any Decision made against them under the Independent Dispute Resolution Scheme. If the Buyer accepts the Decision, the courts will usually recognise this as evidence that the Buyer's claim was valid.
- 6 If the Decision requires the Builder to make a financial award and the Buyer unconditionally accepts it in writing, the Independent Dispute Resolution Scheme will give the Builder written notification of this. The Builder must pay the financial award to the Buyer within 20 working days of the date on which the Independent Dispute Resolution Scheme informs the Builder that the Buyer has accepted the Decision.
- 7 If the Decision requires the Builder to take any other action and the Buyer accepts that Decision, the Builder must complete the necessary action within 20 working days, or within any other timescale the Adjudicator gives. The Builder must tell the Independent Dispute Resolution Scheme that they have done so.
- 8 It may be that the Builder cannot do what is directed in the Decision within 20 working days, or any alternative timescale that the Adjudicator gives. If so, the Builder must tell the Buyer and the Independent Dispute Resolution Scheme why and give a date for the actions to be completed.
- 9 If the Buyer fails to permit the Builder to carry out the actions necessary to comply with the Decision, the Independent Dispute Resolution Scheme will consider the Decision to have been rejected by the Buyer.
- 10 A Buyer should understand that if they refuse to accept the Decision, any subsequent legal action is likely to take account of the Decision.
- 11 A Builder remains liable to comply with the directions made in a Decision that has been accepted by the Buyer, even if they are removed from a Home Warranty Body's register.
- 12 The Consumer Code's Independent Dispute Resolution Scheme is independent of the Home Warranty Bodies. Decisions made under the Consumer Code's Independent Dispute Resolution Scheme are not insured under the Home Warranty Bodies' Home Warranty schemes.



Protection for new-build home buyers

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WHO SUPPORTS THE CODE

