

Media information:

Quality and Consumer Protection in the New Build Homes Market



Protection for new-build home buyers



The market

- 210,320 new dwellings were completed in the UK in financial year 2022-23 ([ONS data](#))
- The average price of a new build home in the UK in December 2023 was £381,775 ([Land Registry](#))
- New build homes are one of the most sizeable and complex purchases consumers make
- Since 2010, the Consumer Code for Home Builders has been providing additional protection for buyers and improving service standards

Latest [Home Builders Federation customer satisfaction data](#) shows 87.5% buyers were happy with the quality of their home. However, considering the volume of new homes being built, that leaves potentially thousands of customers unsatisfied - there is still work to do.



Setting standards and routes to redress

- There is no statutory code of practice or statutory new homes ombudsman in place, but strong protection does exist for consumers through builder codes of practice.
- Code compliance is mandatory for builders operating under the four leading UK warranty providers (NHBC, LABC Warranty, Premier Guarantee and Checkmate).
- Under the Consumer Code for Home Builders, strict sanctions can be applied by warranty providers against builders who fail to meet Code requirements



Protection types

- The principal codes of conduct offer largely consistent cover for consumers from point of reservation through to two years after completion.
- Codes focus largely on the selling and marketing of new build homes
- and ensuring consumers are treated fairly.
- Quality standards and approval are set by building standards and/or warranty providers who are responsible for monitoring these directly.
- However, build quality is covered by some codes (including the Consumer Code for Home Builders) as part of the pre-completion inspection, after sales, and complaints process requirements in the Code.

Key protections provided by the Consumer Code for Home Builders and/or its supporting warranty providers

Clarity

- Clear, thorough information in plain English to enable informed decisions throughout the buying process
- Additional support for customers who may be vulnerable

Quality

- Pre-completion inspection with professional adviser to address snags prior to completion
- Ten year warranty. Builders must deal with defects in the home in the first two years
- Buyers can cancel their purchase even after exchange of contract if substantial changes are made to their home which they don't agree with

Financial protection

- Total refund of reservation fee within 14-day cooling off period
- Full/partial refund of reservation fee prior to exchange of contracts
- Deposit protected against a builder going into liquidation

Redress

- Accessible complaints process with minimum response requirements for builders
- Free Independent Dispute Resolution Scheme (IDRS) for disputes relating to Code breaches. Claims of up to £50,000 can be handled by the IDRS
- Access to the Financial Ombudsman for complaints relating to warranty protection and the Legal Ombudsman for complaints relating to conveyancing/legal advice

Other codes in the market offer similar protection.

Approved Codes and Redress Schemes

- The Chartered Trading Standards Institute has approved several Code schemes under its stringent [Consumer Codes Approval Scheme](#).
- Each approved scheme must offer independent alternative dispute resolution and a sanction regime to tackle poor performance and pass a rigorous annual audit.

Policy developments

The **Building Safety Act 2022** includes provision for a statutory code and new homes ombudsman through secondary legislation, but this has not been implemented.

The recent **[Competition and Markets Authority Homebuilding Market Study](#)** report reiterated calls for a single code of practice and ombudsman, but made no mention of a regulator to enforce and drive up standards. This risks weakening the more robust protection and sanction schemes already in place through existing approved code schemes.

We are engaging with government officials to help ensure any changes introduced genuinely benefit consumers and embed a strong commitment within the industry to improving build quality, as well as strengthening redress.

Useful contacts/information for consumers

Largest UK warranty providers:

LABC Warranty - 0800 183 1755

NHBC - 0800 035 6422

Premier Guarantee - 0800 107 8446

Checkmate - 020 7933 262

Consumer Code for Home Builders contact centre: 0345 608 9797 /

enquiries@consumercode.co.uk

Code resources: <https://consumercode.co.uk/resources/#home-buyers>

Media contacts

Media enquiries:

E: communications@consumercode.co.uk

Potential spokespeople:

Noel Hunter OBE, Chair, Consumer Code for Home Builders	A consumer protection expert, Noel is currently Vice President of the Chartered Trading Standards Institute (CTSI), Chair of the British Hallmarking Council, a previous Vice-Chair of the Council of The Property Ombudsman, and previous Chair of the Board of the CTSI.
Carol Brady MBE, Chief Executive, Consumer Code for Home Builders	Carol has extensive experience in consumer and regulatory policy. Previous roles include chairing the Claims Management Unit at the Ministry of Justice, Senior Ombudsman at the Legal Ombudsman, Commissioner at the Gambling Commission and former chair of the Birmingham Assay Office.
Ron Gainsford OBE, Chair of the Code's Advisory Forum	Ron's 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. He led the Chartered Trading Standards Institute (CTSI) as Chief Executive for eleven years and remains Vice President of the CTSI.
Frances Harrison Independent Chair of the Code's Disciplinary and Sanctions Panel	Vice-Chair of Brighton and Hove Citizens Advice Bureau, Frances has a wealth of consumer protection experience and serves as a member of a number of consumer facing organisations.
Claire Whyley Recently joined the Code's Management Board	Highly experienced consumer research and policy professional, Claire is an expert in outcomes-focussed regulation and consumer vulnerability, and is a member of the Competition and Markets Authority Panel.

For further information or to arrange interviews, please email

communications@consumercode.co.uk