

CONSUMER CODE NEWS

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CONSUMER
CODE FOR
HOME BUILDERS
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Protection for new-build home buyers

Welcome



It's been a busy few months for the home building industry, with new homes and planning reforms featuring high on the new government's agenda. And I doubt any of us can fail to have been moved by the report from the Grenfell Inquiry. There is a great deal for us all to consider and work on in the coming months as we encourage quality and customer service to be placed at the heart of new homes growth.

I am pleased to see that so many builders have quickly embraced the new requirements introduced in the Fifth Edition of the Code earlier this year. Together, we are improving customer service standards and protection, particularly in areas which have traditionally been common sources of complaint such as snags and how they are dealt with.

In this issue we share the latest news about the Code and the Chartered Trading Standards Institute's Approved Code Scheme, as well as highlights from our blog. Don't forget to follow us on LinkedIn and X and subscribe to our mailing list to keep up to date with latest developments.

Noel Hunter OBE, Chair

Contents

- 2 New misinformation risks confusion for new-build home buyers and builders
- 2 Check out the Code's 2023/24 Annual Report
- 3 Just Launched! New Case Study section on the Code website
- 3 CTSI launches new Approved Codes website and branding
- 4 Supporting the industry: How promoting Code compliance can boost your marketing
- 5 Video: Pre-purchase information - how much is enough?
- 5 Are you using data to help manage defects?
- 6 Showcasing our expertise: Spotlight Series
- 7 Consumer focus: How do home builder codes of practice protect your rights?
- 8 Nine essential steps for new home buyers
- 9 What is self-regulation and how does it help consumers?



NEWS

See page 2



Supporting the industry

See page 4



Consumer focus

See page 7

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New misinformation risks confusion for new-build home buyers and builders

We were disappointed to read reports quoting the New Homes Ombudsman stating that where builders are not signed up to their scheme, people will be left without the help they need. As our members know, this is not the case.

The Ombudsman scheme is just one of several alternative dispute resolution (ADR) schemes operating in the new build homes market. Other code schemes, including ours, offer very similar protection. Compliance with our Code is mandatory for builders operating under the UK's four leading warranty providers, NHBC, LABC Warranty, Premier Guarantee and Checkmate (unless builders opt to join a different code scheme). One of the strengths of our Code is that we do not charge a fee to builders - it is covered as part of your warranty subscription fee. This creates an important distinction between those required to comply with the Code and those operating and governing it. Our Code is also independently approved by the CTSI's Approved Code Scheme.

We are confident that home buyers covered by our Code are appropriately supported and have access to an Independent Dispute Resolution Scheme run by the Centre for Independent Dispute Resolution (CEDR) which works in a very similar way to an ombudsman. There is therefore no requirement for builders already complying with our Code to join a new scheme. Builders are free to choose which scheme they comply with, subject to any restrictions applied by their warranty provider.

Room for improvement

We firmly believe quality needs to be at the heart of government plans to accelerate new housing, and this has to be considered alongside the resource and materials pressures facing the industry. But this requires more than codes of conduct to achieve. Although our Code requires builders to confirm homes meet the UK Building Regulations and the relevant home Warranty Body's standards, ombudsman and ADR adjudicators are not technical experts and cannot assess whether quality standards have been met.

In our discussions with government representatives, we are calling for enhancements in consumer protection to go hand-in-hand with improvements in building inspection and control, and a consistently high standard of warranty cover.

Check out the Code's 2023/24 Annual Report

Our Annual Report 2023-24 is available to download - [Consumer Code Annual Report 2023-24](#)



The report is a bumper edition, thanks to all the additional work involved in introducing the Fifth Edition of the Code from January 2024. This has provided an important opportunity to refresh the Code's requirements, plug gaps in consumer protection and remind builders of the need to comply with the Code.

The Annual Report details important changes to our Board and Advisory Forum and provides an overview of the principal communications activities that have helped to raise awareness of the Code among consumers and support the industry in driving up service standards.

The report also provides a summary of the number of cases handled by the Code's Independent Dispute Resolution Scheme, including the decisions reached and actions taken. Over 60% of cases were found fully or partially in favour of home buyers, and 100% of cases were handled within the statutory timeframe for alternative dispute resolution of 90 days - far quicker than going to court.

Full details can be found in the latest CEDR report [CEDR Annual Report 2023](#) which covers the IDRS cases from 1 Jan 2023 to 31 Dec 2023.

Just Launched! New Case Study section on the Code website

We've just launched a new case study section on our website to help new home buyers, builders and their agents learn from past disputes. Although all case histories are summarised in our Resources Hub, moving forward we will be selecting some cases each month to spotlight on our case study page.



The aim is to share a good mix of complaint types, topics and outcomes, together with learning points for buyers to guide future complaints and builders to minimise repeating the same mistakes.

Use the tags to find the most relevant examples, whether you're interested in successful claims only, or topics such as garden-related disputes or claims about pre-contract information.

If you have any feedback or suggestions on how we could improve this new section, please contact communications@consumercode.co.uk

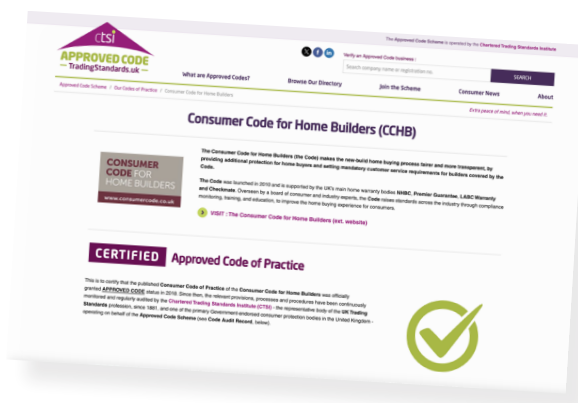


CTSI launches new Approved Codes website and branding

The Chartered Trading Standards Institute, which runs the Approved Codes Scheme, has launched a new website and brand refresh to help consumers identify trustworthy, consumer-focused businesses.

The new website provides useful information about each approved code scheme, and in some cases, access to a directory of members. The CCHB has been an approved Code for over five years - you can read our profile on the site here.

The CTSI is the representative body of the UK Trading Standards profession and one of the country's main, Government-endorsed organisations charged with protecting consumers by raising standards amongst UK businesses. A code scheme only acquires the status of an Approved Code once it has been independently vetted (and then continuously audited) by the CTSI. For more details, visit: <https://approvedcode.tradingstandards.uk>



Logo refresh - new files available to download

As a result of updates to the Approved Codes logo, we have updated the Code logo files and brand guidelines as they incorporate the Approved Code Scheme branding. These are now available from the Resources section on our website.

We are not expecting you to replace existing materials but as you update your website and/or documentation, please start to introduce the new versions. If you have any queries, please contact communications@consumercode.co.uk



Protection for new-build home buyers



Supporting the industry

How promoting Code compliance can boost your marketing

Promoting your commitment to the Consumer Code for Home Builders can help give buyers confidence that they will receive a good service, and that help is available should they need it. By following the Code compliance guidance, you're more likely to provide a good customer experience which reflects well on your overall reputation.

The [latest edition of the Code](#) sets out requirements builders operating under our Code must meet. But there's a difference between complying with the requirements and actively embracing excellent customer service. Here are some suggestions to promote your commitment to the Code:

- **Showcase your support:** Add a section on your website covering how you support customers, include details of your commitment to providing excellent service, backed up by your membership of the Consumer Code scheme.
- **Make reservations transparent:** Publish an example of your reservation agreement on your website, with helpful information about the 14-day cooling off period introduced from January 2024. Remember to explain the process for refunding some or all of the reservation fee after the 14-day period, including the range (in monetary terms) of any fee that may be retained to cover administrative expenses should the reservation be cancelled.
- **Link to Code marketing materials:** Share the Code's explainer videos and blogs on your website, showing you're proud to promote good customer service. You could also print off our [consumer leaflet](#) and include it in your sales packs so every homebuyer knows straightaway what help is available.
- **Engage with the Code on social media:** Follow the Consumer Code on LinkedIn and X, and retweet and comment on posts which demonstrate your commitment to providing a great service.
- **Keep staff training up to date:** The Code provides free training for customer-facing staff (including agents and solicitors) which must be updated annually to help you comply with the Code. Why not add a note on your website and social media, and in your sales offices, announcing how many of your staff have completed the training or display the certificate showing the online training has been passed?

CTSI accreditation provides another layer of consumer protection for your buyers. Not all codes offer that additional safeguard so don't forget to promote this additional benefit.

Remember the role of agents and conveyancers

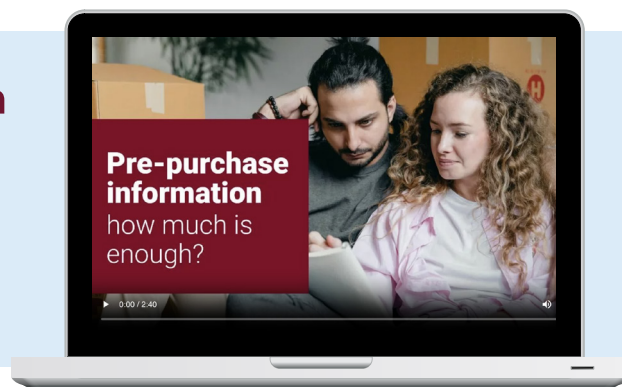
Help agents and licenced conveyancers/solicitors help you deliver great customer service by:

- Ensuring that they complete the online training
- Keeping them informed about Code news - especially the Code's [annual report](#) and the [independent report on complaints](#) provided by the Centre for Effective Dispute Resolution. The case study examples are a great way to learn dos and don'ts.
- Ensuring that agents selling properties on your behalf include the Code logo on their website and sales offices and that the Code leaflet is given to prospective purchasers.

These are just some of the ways to demonstrate your compliance with the Code and you may well have others. Share your ideas with us on LinkedIn or X and we'll like and share your posts. You can also visit our dedicated [Resources Hub](#) for home builders where you'll find a wealth of advice and guidance on complying with the Code.

Video: Pre-purchase information – how much is enough?

Watch [this video](#) for an overview of the information that you should be providing to new home buyers to ensure they are fully informed throughout their purchase.



Are you using data to help manage defects?

'Snagging', the term used for checking a new-build home for minor defects that need to be resolved, is a common cause of frustration for new-build home buyers. According to the latest National New Homes Customer Satisfaction Survey¹, 95% of new homeowners reported snags or defects with their home after moving in. Of those, while 53% reported fewer than 10 snags, a third fell into the highest category of 16+ snags.

So what can developers do to improve the number of issues they resolve before buyers are even aware of a potential issue?

The Fifth Edition of the Consumer Code for Home Builders requires builders to allow buyers to conduct a pre-completion inspection either themselves, or with the support of a professional advisor. The aim is to identify and resolve snags prior to completion, leading to a better experience for new build homeowners who should have fewer defects to deal with once they move in. This is better for builders too, as rectifying defects is often easier to do before a property is occupied.

Identifying common issues

Some builders use defect management software to help improve how defects are logged and resolved. The data these systems collect can identify trends across different types of developments, and help builders be more proactive in identifying and resolving snags. James Farrell from Clixifix^{*} explains:

"Clixifix categorises defects across different development schemes, based on size, which helps in analysing trends in defects and how quickly they are resolved relative to the scale of development. This enables us to identify clear differences between large and small developments, which we're using to help our customers plan how they manage and respond to snags."

¹ <https://www.hbf.co.uk/policy/customer-satisfaction-survey/results/>

**This article contains references and links to Clixifix because we believe the information may be useful to builders covered by our Code. This does not imply endorsement from the Consumer Code for Home Builders of Clixifix or its services. Other providers may offer similar information and services*

According to Clixifix, the three top defect categories over the last 12 months across their client base of over 200 builders have been:

- Windows and Doors
- Interior Issues
- Kitchen Units

Clixifix's client data also shows:

- Large-scale developments tend to see more defects related to structural elements such as doors and windows, but these are generally resolved more swiftly than in smaller schemes.
- Medium-scale developments experience diverse defects, ranging from external areas to electrical systems, which may indicate more varied construction challenges impacting this size of scheme.
- Smaller developments tend to register unique categories like carpet defects and snagging tasks, highlighting finishing challenges that are less common in larger projects.

Whether you're using a third party service or collecting and analysing company/site data internally, the information can help you be more proactive in addressing common causes of complaints.

Keeping buyers informed

Don't forget that as part of the Code's requirement to provide an accessible after-sales service, builders are expected to settle an after-sales issue or problem within 30 days and provide regular updates for those issues that take longer to resolve. Keeping home buyers informed about how and when snagging issues will be rectified can significantly enhance the experience and reduce the likelihood of formal complaints.

Read the [full article here](#).

Showcasing our expertise: Spotlight Series

Our Code is strengthened by the experience our board and advisory members bring to the table, as well as the partners we work with to provide robust, independent auditing, information and dispute resolution services.

During the past few months we've been shining a spotlight on this wealth of experience, starting with Code Chair, Noel Hunter OBE and Citizens Advice representative, Frances Harrison.

This time we focus on Consumer Representative, Claire Whyley and Consumer Protection expert Ron Gainsford OBE. Here's a few excerpts - read the full articles [online](#).



Claire Whyley

Claire is one of the newest members of the Code Board who joined the team in December 2023 as an independent consumer expert.

We asked Claire what she feels are the biggest challenges for home buyers, and how important codes of practice are in protecting consumers.

Why Consumer Protection?

I discovered the critical importance of social research in achieving real policy change in areas that really matter, and I started my career researching issues around poverty and social justice. Over time, this highlighted the importance of ensuring all consumers can access the goods and services they need and get a good deal from them.

What are the biggest challenges for home buyers?

Buying a house involves the heart as much as the head, which creates significant vulnerabilities for consumers. Purchasing a new build home can bring further challenges, for example, buying off-plan without being able to view the finished property. It's crucial that consumers have confidence that they have appropriate rights and protections, both through codes of practice and home warranty cover.



Ron Gainsford OBE

Ron has a wealth of consumer protection experience having led the Chartered Trading Standards Institute (CTSI) as Chief Executive for eleven years. Ron also chairs the Code's Advisory Forum.

When did your involvement with codes of practice begin?

I joined Trading Standards when consumerism was on a new crest of excitement. The Office of Fair Trading (OFT) arrived in 1973 and it soon started to create consumer codes of practice across a raft of consumer facing sectors as an alternative or supplement to regulation. I've always been a fan of consumer codes, recognising the important role they play in protecting consumers and developing good business practice, particularly when they are underpinned by a robust approvals regime such as that delivered by the Chartered Trading Standards Institute.

How important is the Code's advisory forum?

The Forum is a creative force in bringing a wide range of developer, consumer, legal, financial and other interested parties together to share thoughts and ideas on matters affecting the quality of new homes and the consumer experience. The Forum works closely with the Management Board to inform decision-making, and the dialogue is always open, challenging, knowledgeable and positive.

How do you unwind after a long day?

I have plenty of hobbies to choose from, whether it's going for a ride on my Yamaha Tracer motorbike, playing golf, or settling down with a good book.

You can read the full articles in our [blog here](#).



Consumer focus

How do home builder codes of practice protect your rights?

Unlike buying a second-hand home, new builds already come with some guarantees. Virtually all new homes have a ten-year warranty which helps to ensure your home is built to a high standard in the first place and protects against structural faults or quality issues that may arise after you have moved in. So why is there a need for a separate code of practice and what help does it give?

Rights and protections for home buyers

Buying a home is one of the biggest and most complex purchases any of us will make - but it's not something we're likely to do regularly. That's why it is important that home buyers receive clear, accurate and timely information and are properly supported throughout the sale process.

Protection from the point of reservation

The Code focuses on the service you receive from your builder and their sales agent, before, during and after the sale. We set standards that builders and their agents must meet so that you receive good customer service, feel well informed before making a purchase, and that your home meets the specification you expect when you move in. This protection begins from the moment you show an interest in buying a new build home.

If you pay a reservation fee to reserve a property and subsequently change your mind within 14 days, the Code requires builders to return your fee in full.

After sales and complaints

Home builders are required to provide a comprehensive after-sales service to support you for up to two years after legal completion. This includes rectifying defective, faulty or incomplete work.

Snagging is specifically covered under the requirements of the Fifth Edition of the Code, which applies to all homes reserved from 1st January 2024. Your home builder should enable you or your professional adviser to inspect your home before completion and resolve defects prior to completion where possible.

Your builder must also have a process for receiving and dealing with complaints and disputes and share that with you.

For more details on how the Code protects new build home buyers, download the [latest version of the Code](#).

Free, independent redress

If you feel your builder or sales agent has breached the requirements of our Code, you can access our free and fully Independent Dispute Resolution Scheme. Independent adjudicators will review your claim and, if successful, may make a financial award - sometimes including a time and trouble payment - as well as requiring builders to take action to rectify the issue.

If you're unsure whether the Code applies to your situation, you can speak to our enquiry team on 0345 608 9797 or enquiries@consumercode.co.uk

For homes reserved up to and including the 31 December 2023, the Fourth Edition of the Consumer Code Scheme applies. Homes reserved from 1 January 2024 are covered by the Fifth Edition.

You can read the full blog [here](#).

Nine essential steps for new home buyers

When you're buying a new build home it's easy to get carried away with the excitement and prospect of moving in, but it's important not to lose track of the more mundane, but no less important aspects of your purchase. We have set out a number of steps to help you understand what to expect at each stage and to help prevent any unwanted surprises further down the line.

- **1 Which Code?**

It's important to know which code of practice your builder is bound by so you know where to access help if you need it. Your builder or their sales agent should tell you this early in the process but if in doubt, ask.
- **2 What information should you receive and when?**

You must receive enough information to help you make a suitably informed purchasing decision, including a written Reservation Agreement, a brochure or plan illustrating the layout, appearance and plot position and details of the standards to which the home is being built.
- **3 Check for additional costs involved with your purchase**

Your builder must inform you of any additional costs such as service charges, maintenance fees or fixed agreements for services such as broadband.
- **4 Understand the terms of your Home Warranty Cover**

Most new homes come with a 10-year warranty that includes 2 years' cover for defects as well as 10 years' structural cover, but there are several warranty providers and policies will differ. Your builder should provide you with a summary of the cover and full contact details.
- **5 Have you seen the details and plans for your new home?**

Sales brochures and plans may show elements that are indicative rather than actual representation. Ask your sales agent about specific elements that may be different for your property and the impact on size, layout, features or finish.
- **6 Know your rights**

Under our updated Code (for properties reserved from Jan 2024), you are entitled to a cooling off period of 14-calendar days after you have signed the Reservation Agreement and have your reservation fee refunded in full together with any early bird fees you may have paid. You also have the right to cancel the contract and reclaim your reservation fee and contract deposit if you no longer wish to purchase following a substantial change that you have not agreed to.
- **7 Appoint your legal adviser**

You will need to appoint a licenced conveyancer to handle the legal aspects of your purchase. Your builder may recommend a specific solicitor or conveyancer to speed up the process as they will be familiar with the site and associated paperwork but you are free to choose your own adviser if you prefer.
- **8 Understand the terms of your sales contract**

Once you have signed your sales contract, you are legally bound by its terms so take the time to read through it and ask your legal adviser to clarify any points you are unsure of.
- **9 Find out about the after-sales and complaints service**

The support doesn't stop once you have completed your purchase. Your builder must provide an accessible after-sales service and complaints process, with details of what the service includes and who to contact. They must also adhere to specific timescales in acknowledging and responding to complaints.

Read the full article [here](#).

For more information about The Code and the support available for new home buyers download our [Home Buyers Guide](#) or take a look at the [videos and blogs](#) on our website.



Watch our video which explains your [contractual rights when buying a new-build](#).

What is self-regulation and how does it help consumers?



In conversation with the Chartered Trading Standards Institute (CTSI)

We caught up with Sue Redding, Policy & Campaigns Consultant at the Chartered Trading Standards Institute (CTSI) for an insight on how self-regulation works and the processes in place to strengthen protection for consumers.

How do codes of practice support consumers?

Consumer Codes facilitate robust self-regulation to promote consumer interests and raise standards through the principles of effective customer service and protection, setting common standards that go above and beyond consumer law obligations. They offer alternatives to enforcement, reducing reliance on costly and resource-intensive legal or judicial routes to achieving redress.

According to a report from the Ministry of Justice, the average time for small claims to be heard is 51.6 weeks². By contrast, the statutory timeframe for resolving alternative dispute resolution is 90 days, and in many cases, the process is free to access for consumers.

Codes therefore help consumers understand what they can expect from the business they are buying from, and feel confident that speedy, cost-effective help is available should they need to raise a claim.

Can we be sure these schemes offer good protection for consumers?

Consumer codes developed under the CTSI Approved Code Scheme, such as the Consumer Code for Home Builders, play an essential role in self-regulated industries. They are independently audited by Approved Code Scheme, which is backed by government, supported by the Chartered Trading Standards Institute and overseen by the Consumer Codes Approval Board (CCAB).

[Read the full article](#) to learn more about the approval process and how consumers can identify an Approved Code under the Scheme.

² https://consumercode.co.uk/what-is-self-regulation-and-how-does-it-help-consumers/#_ftn1



Supporters of The Code

