

CONSUMER CODE NEWS



Protection for new-build home buyers

SPRING/SUMMER 2025

Welcome

It's been a busy few months at the Code, during which time we've made strong progress on improving compliance and strengthening consumer support.



In this issue, we report on the new charge being piloted to tackle non-compliance with decisions made through our Independent Dispute Resolution Scheme. This is a rare occurrence as builders typically comply within the agreed timeframe, but the small number that don't cause greater inconvenience for consumers and damage the integrity of the Code. I was particularly encouraged by the support we had from industry bodies in implementing this charge, partly in recognition of the reputational impact of non-compliance on the wider industry.

We've also launched a guide for consumers to raising complaints and disputes. We've matched this with tips for builders on complaints handling so both buyer and builders are better equipped to resolve issues before they become disputes.

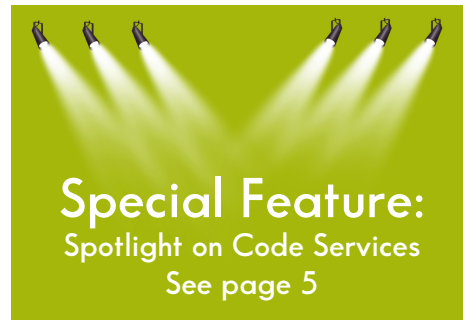
We continue to talk to relevant government departments across England and the devolved administrations, to discuss, among other things, the government's plans to establish a mandatory new homes ombudsman. We're also collaborating with other code bodies to explore ways of working together to benefit consumers, providing consistent protection while maintaining choice for builders.

Stay up to date via our website and LinkedIn channel - and don't forget to [subscribe for the latest news](#).

Noel Hunter OBE, Chair

New guide to complaints and disputes launched to help home buyers

Our new complaints and disputes pack is now live. Designed to make it easier for home buyers to understand the different ways to raise a complaint and how to access the Code's Independent Dispute Resolution Scheme, the pack is freely available from our website. Read more on page 7.



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News

New charges now in place for non-compliance with dispute decisions

To strengthen Code compliance, we have introduced a [new charge for builders](#) who do not comply with decisions made by the Code's Independent Dispute Resolution Scheme (IDRS) within the agreed timeframe (as set out in the Scheme Rules). The new charge applies to new IDRS applications from 1st April and is being piloted for 12 months with the aim of minimising unnecessary inconvenience to home buyers.

In most cases, builders comply with the adjudicator's decision within the required 20 working days or agree an alternative timeframe with the home buyer where required. However, some builders fail to comply in a timely manner, causing further frustration.

Following detailed discussions with our IDRS provider, the Centre for Effective Dispute Resolution (CEDR), as well as industry bodies and consumer groups, we have co-designed a firm but fair additional inconvenience charge of £5 per calendar day for every day a builder does not comply beyond the original deadline.

The adjudicator is wholly responsible for deciding whether the builder has complied, and the charge will continue until the adjudicator determines their decision has been implemented. The 'Total Non-Compliance Inconvenience Charge' (i.e. the total of the daily inconvenience charges that have accrued) will be paid to the home buyer by the builder in recognition of the additional inconvenience caused.

Impact will be assessed with a view to retaining the new charge long-term if it proves successful.

For full details, download our PDF: [IDRS inconvenience charge for non-compliance](#)



"the Code and its industry partners are showing strong leadership by putting further weight behind compliance with this alternative dispute resolution scheme to benefit consumers."

*John Munton, Director of Dispute Resolution Services,
Centre for Effective Dispute Resolution*

Government signals intention to procure a New Homes Ombudsman

The government has published a '[pipeline notice](#)' signalling its intention to procure a New Homes Ombudsman (NHO) in 2026. Unlike existing arrangements, the newly procured ombudsman will likely be a mandatory scheme covering all builders once established. Initial indications from the notice are that procurement may start in early 2026, with the contract awarded in autumn.

We welcome the clarity this brings in clarifying how the government intends to move forward, including its transparent approach to inviting any suitably qualified organisation to bid to operate the NHO. This also confirms that there will be no changes to our Independent Dispute Resolution Scheme in the short term.

It is not yet clear how the government wants code schemes to operate in relation to the NHO once it is established. We will continue to work with government to clarify this position and will keep you updated. For now, builders continue to have the freedom to choose which code scheme they belong to subject to any restrictions set by their warranty provider. For more information, contact secretariat@consumercode.co.uk

Changes to Checkmate and the impact on Code compliance

Checkmate (a former trading name of Lockton Companies LLP) has changed ownership which will affect how the Code applies to future policies.



Lockton Companies LLP has exited the latent defects (home warranty) market, having initially paused the sale of new home warranty policies in summer 2022. As the Checkmate brand is continuing under new ownership, the Code and Lockton Companies LLP will refer to the Checkmate home warranty policy as Lockton Checkmate to minimise the risk of confusion.

Existing Lockton Checkmate customers, including developers that have bought policies for homes which are not yet built or completed, will not be affected. All existing policies sold to developers prior to August 2022 remain active and the Consumer Code for Home Builders will continue to apply in these cases once these properties have been reserved. This means builders will still need to comply with the Code and consumers will still have access to the additional protection the Code offers.

Any queries can be directed to Lockton Companies LLP directly on 020 7933 2626 or underwriting@checkmate.uk.com

Supporting the industry

Code's Train the Trainer Guidance Notes updated following legislation change

Following the introduction of the Digital Markets, Competition and Consumers Act 2024 in April, a number of changes have been made to the guidance notes to the Code's 'Train the Trainer' pack. These include referring to the 32 banned practices covered in the Act, such as fake reviews, high pressure selling and misuse of codes of conduct or trust marks.

Full details of the Code's training, including how to access the Train the Trainer pack, are available here: <https://consumercode.co.uk/home-builders/what-training-is-available/>



Right First Time: Helping builders get reservations right and handle customer complaints well

We have launched two new fact sheets in our 'Right First Time' series, based on learnings from recent disputes.

Handling customer complaints:

Complaints handling is consistently one of the most common causes of disputes raised through the Code's Independent Dispute Resolution Scheme. Yet handling complaints effectively can improve your buyer's experience and enhance your reputation.

The Code requires builders to have in place, and follow, procedures for handling customer calls and complaints. The Fifth Edition of the Code also sets timescales which your policy should adhere to (or improve on). Our fact sheet offers tips on making the process work well, including:

- Being open about your procedures for handling complaints and sticking to the promises you set out.
- Taking time to acknowledge and understand each complaint, setting out what you do and don't agree with, and why.
- If further investigation work is needed, explain this to your buyers, including timescales for a response.
- Make sure your contractors are aware of the standards you expect when liaising with your customers and completing remedial works on your behalf.

Did you know?

Under the Fifth edition of the Code:

- Complaints must be acknowledged in writing within five working days
- You must provide a more detailed response within 20 working days

Remember: Throughout the selling process, good record keeping and recording in writing all conversations with your buyers will help avoid misunderstandings that could lead to complaints later.

[Download our factsheet for more information and guidance.](#)



Reservation Agreements:

A Reservation Agreement marks the beginning of your relationship with your customer and is the official start of protection for buyers under the Code.

The Code requires builders to provide home buyers with a reservation agreement which clearly sets out the terms of the reservation, including:

- A 14-day cooling off period
- Terms of the agreement including cancellation and what proportion of the reservation fee might be retained if the buyer changes their mind after the first 14 days.

Buyers must be given enough information to properly understand the reservation agreement. Make sure buyers understand what information in your sales brochure is general and what is specific to avoid misunderstandings later.

Download our [factsheet](#) for more information and guidance.



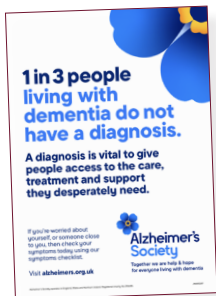
Quick links to further guidance:

Our website has plenty of guidance and resources to help you look after your buyers and help ensure their buying experience is as good as it can be:

- [Watch our video](#) for tips to ensure buyers have all the pre-purchase information they need
- [Read our factsheet](#) on making your sales information easy to understand
- Find out how to [recognise and support vulnerable customers](#) such as first time buyers
- Read our [Guide to effective complaint handling](#)
- Pick up some great learning points from our [case studies](#) to help improve your customer service

Dementia Action Week

recognising and supporting vulnerable customers



The Code requires home builders to treat all customers fairly and to mark Dementia Action Week (May 19th to 25th) we wanted to highlight your responsibilities in recognising and supporting customers who may need a little extra support.

A customer is potentially vulnerable if they are susceptible to detriment due to their health or personal circumstances, including caring responsibilities. According to the NHS, research shows there are more than 944,000 people in the UK who have dementia, while the Alzheimer's Society estimates there are approximately 700,000 people in the UK who care for someone with dementia. Health issues and caring responsibilities may affect a person's ability to take in complex information or make informed decisions.

It's important to recognise these customers and take steps to accommodate any extra needs they may have, including:

- Providing information in different formats
- Avoiding jargon
- Being clear about the implications of their purchase including any ongoing costs or exit fees that may apply

Having a policy in place to support the interests of vulnerable customers is key and ensuring all customer facing sales staff are fully trained and aware of the safeguards they can put in place to help buyers. But you can also signpost them to the Code's Resources Hub section specifically for new home buyers which provides a wealth of information to help guide them through the complexity of the purchase process.

[Read more on our website.](#)



Special Feature:

Spotlight on Code Services

As part of our ongoing spotlight series, we're sharing insights from two of the Code's services which underpin the support we provide to consumers and the industry.

Our contact centre is run on our behalf by the Chartered Trading Standards Institute and provides vital access for both consumers and builders who have queries about the Code or need help finding the right support. Our Independent Dispute Resolution Scheme is operated by the Centre for Effective Dispute Resolution (CEDR) and provides robust alternative dispute resolution which is free for consumers.

We caught up with the teams operating these services to find out more about what they do and how they help.



First up: Centre Manager, Chris Bell, and Code enquiry team representative Patrick Ferreira.

Tell us more about the CTSI contact centre

The CTSI contact centre helps consumers access information and services on behalf of organisations such as the Consumer Code for Home Builders. Our team is fully trained in call and complaint handling.

For the Code, we help people who are experiencing problems with their new build home. We start by understanding their main query so we can provide guidance on their next steps and the support available to them. This can include pointing them to relevant parts of the Code that may be applicable to their circumstances or signposting them to the Independent Dispute Resolution Scheme to raise a claim.

We also support builders who want to know more about how to comply with the Code, as well as other professions involved in the new home purchase process.

How many enquiries do you typically receive?

We receive up to 200 contacts each month across phone and email. We find many people like to pick up the phone – it means they get an immediate response, and it can be easier for some people to explain complex issues over the phone.

What are the most common requests?

The most frequent area of concern for consumers is a builder's after sales service. Some builders do offer a

good complaints process but are less good at providing clear information or regular updates on the issues they are looking into and the progress being made. This can leave home buyers in limbo, leading to disputes.

What is most important in providing a good quality enquiry service?

Listening and empathy are essential skills for our team. We give people time to explain their concerns and ensure they feel heard, recognising the huge role homes play in people's lives. Asking appropriate questions helps us identify specifics and understand what the caller may have already tried.

We also make sure callers understand the information they have been given so they are able to act on it. This is especially important for consumers who may be vulnerable due to illness, medical conditions or personal circumstances.

Based on feedback, what could builders do to make it easier for consumers to resolve issues?

We feel builders would benefit from being more transparent with home buyers – which is true of most sectors. From the complaints we receive, it seems companies can often appear defensive and make excuses instead of explaining why something has happened or not happened, which can exacerbate an already tense situation.

Recognising the need to tailor their approach for different consumers is also important.

How can consumers get the most from their enquiry?

Before calling the contact centre, it really helps if you find out who your home warranty provider is which should be written on your reservation agreement. If you're not sure, call us and we'll talk you through how to find it.

It's also useful to be able to pinpoint the original source of the first complaint. By the time people contact us, they have often added other things based on how they have been treated or lack of communication.

Our goal is to support anyone who calls us in the best way we can, so if you're unsure of these details, get in touch and we'll do our best to help regardless.

To contact the enquiry team, please call Monday to Friday between 10am to 4pm on: 0345 608 9797 or email enquiries@consumercode.co.uk.

Next - shining a spotlight on our Independent Dispute Resolution Scheme with John Munton Director of Dispute Resolution Services at the Centre for Effective Dispute Resolution (CEDR).



Can you explain CEDR's role as an ADR provider?

CEDR is a not-for-profit organisation that operates different types of alternative dispute resolution (ADR) to resolve disputes between consumers and traders. We are approved by the Chartered Trading Standards Institute, Ofcom, the Civil Aviation Authority and the Gambling Commission.

For the Code, CEDR offers an adjudication service for disputes that cannot be resolved through the builder's own complaints process. Both home buyers and builders have the opportunity to put forward evidence to an expert adjudicator, who will review it and issue a written decision to resolve the dispute. The adjudicator's final decision will become binding on the builder if the buyer chooses to accept it.

What are the main benefits of ADR?

ADR provides a faster, more cost-effective, and less adversarial approach to resolving disputes than court proceedings. The process is impartial, with independent adjudicators, arbitrators or mediators assessing evidence fairly, ensuring balanced outcomes.

Businesses benefit by avoiding costly legal fees while gaining insights from dispute trends to improve service quality, which in turn can improve the buying experience for future customers.

How important is independence and how do you ensure that is maintained?

Independence is critical to ensure impartiality, fairness, and public confidence in the process. CEDR maintains independence by adhering to strict regulatory standards, ensuring our adjudicators and mediators have no conflicts of interest, and applying transparent, unbiased decision-making processes. ADR professionals act neutrally, considering all evidence without favouring any party.

What do you believe are the main misconceptions about ADR?

Many people think ADR providers are government-run 'quangos', but the truth is we are independent, receiving no government funding but being subject to scrutiny by government-appointed competent authorities.

Another common myth is that ADR providers always favour consumers and are acting on their behalf as a customer champion. CEDR is impartial, and adjudicators assess

cases based on the evidence provided, acting more like a judge to reach fair and balanced decisions based on the information presented by both parties.

Some believe businesses can ignore ADR decisions without consequences. However, non-compliance with decisions can lead to sanctions and reputational damage depending on the industry. A key strength of ADR is the financial costs of claims which creates an incentive for businesses to meet higher quality standards from the outset, reducing the likelihood of disputes.

To what extent does the Code's IDRS improve quality in home building?

It plays a significant role in improving outcomes for consumers by holding builders accountable for poor service, encouraging adherence to best practices, and providing a structured process for resolving disputes. It also offers builders valuable learning opportunities by identifying common issues in complaints, allowing them to adopt industry best practices to prevent recurring problems.

What advice would you give to consumers looking to raise a dispute via the Code's IDRS?

Consumers should state clearly on the application form what remedy/remedies they are seeking and gather and organise all relevant evidence to support their claim effectively. Throughout the process, remain factual and objective, avoiding emotional arguments and focusing on evidence-based claims.

We strongly encourage consumers to take time to reflect on the final decision. Sometimes a decision may be found in favour of the buyer but the amount awarded is lower than requested. This can result in consumers rejecting a decision within minutes of its publication (meaning the builder is not required to comply at all), only to come back in the following days seeking to accept it. However, once the decision is rejected there is no going back.

How should builders respond to a dispute?

Builders are required to cooperate with the process as a condition of their Home Warranty provision and should approach the process professionally and proactively to ensure a fair and efficient resolution.

Builders must comply with any deadlines and procedural requirements set by CEDR, ensuring they submit all necessary evidence. Maintaining a clear, factual, and professional approach is essential, avoiding emotions or defensiveness.



This is a summary of two spotlight articles which appear on our website. You can read the [full articles on our blog here](#).

Consumer focus

New guide to complaints and disputes launched to help home buyers

Last month saw the launch of our new digital complaints and disputes pack designed to make it easier for home buyers to raise issues effectively.

Developed in partnership with the [Centre for Effective Dispute Resolution](#), our complaints pack contains the information buyers need to help raise complaints with builders and/or disputes via the Code's Independent Dispute Resolution Scheme (IDRS), including:

- A definition of complaints, disputes and how they are handled
- What to include when raising a complaint with your builder
- Raising a dispute via your home warranty provider
- Raising a dispute via the Code's IDRS and what to expect

All builders operating under the Code must provide an accessible after-sales service, which includes having – and keeping to – a complaints process to enable issues to be resolved. If builders and buyers are unable resolve issues, consumers can raise a dispute under the Code's Independent Dispute Resolution Scheme if the issue relates to a breach of the Code. Other forms of redress are available depending on circumstances.

The [complaints pack](#) describes the different sources of support available for new-build home buyers, and links to our consumer protection overview which covers wider support for second hand homes and services related to home buying.

[Download your copy of the complaints pack.](#)



Reservation Agreements – what home buyers need to know

Signing a Reservation Agreement is your first step toward buying a brand new home but it's much more than a promise to buy – it's the start of your protection under the Consumer Code for Home Builders (the Code) and the first step in helping to make your purchase as smooth and positive as possible.

Did you know?

- All reservation agreements under the Code, effective January 2024 onwards, must include a 14-day cooling off period during which you can change your mind and have your reservation fee returned in full.
- You can still cancel your reservation after the 14 days and receive a refund minus any administrative expenses incurred by the builder.
- Your builder cannot offer a reserved home to another buyer during the agreed reservation period.

Useful questions to consider

Take the time to read all information provided and ask your sales agent and/or legal adviser to clarify any aspects that are unclear. For example:

- Are you clear about the measurements and sizes of the property? If you're buying off plan, ask your builder if you can see a showhome.
- Ask about light and the aspect of the home – how much daylight will different parts of the home get?
- Does your plan show gradients? Don't be afraid to ask about sloping driveways and/or gardens as well as general access so you know what to expect.
- In some cases, builders may not be able to specify the exact nature of white goods or flooring. Don't assume the brochure is an accurate reflection of exactly what will be included in your home – ask for clarification.



Read more tips about [reservation agreements](#) on our blog.

Tips to reduce stress for new home buyers

Buying a new home will be one of the most significant purchases you are likely to make and probably one of the most stressful. To mark Stress Awareness month during April, the Code set out some stress-busting tips which apply all year round to help make your purchase a little easier.

1

Be prepared

Whilst it's easy to get carried away with the excitement of buying your new home, it's important to keep track of the more mundane, but no less important aspects of your purchase. We have set out [9 essential steps for new home buyers](#) to help you understand what to expect at each stage of the process and to help prevent any unwanted surprises further down the line.

2

Ask lots of questions!

It's crucial that you fully understand what's involved and what to expect from your new home - particularly if you're buying a home under construction that you can't yet see. Understanding all aspects of your new property purchase is key, and there are a number of important things you should clarify along the way.

3

Understand your Reservation Agreement

Signing a Reservation Agreement is your first commitment to buying a home and the agreement should include certain information about the property and what's included as well as details of the warranty cover and termination rights. Find out what you need to know before signing your agreement.



Read more [stress-busting tips](#) on our blog.



Case studies

New case studies are added regularly to our Case Studies pages with real examples of cases that have been through the Code's independent dispute resolution scheme. These provide some useful learning points whether you are a new home buyer, a builder or a sales agent. Here's a snapshot of the latest cases:

Resolving defects

- The buyer claimed the builder had failed to resolve some minor defects which remained outstanding.
- The builder stated it had only assumed responsibility for the property part way through the buyer's occupation due to an internal corporate re-organisation.
- The Adjudicator found in favour of the buyer and determined that the builder had not relinquished its responsibilities by undergoing the corporate re-organisation.



Case succeeded

Unexpected ongoing costs

- The buyer claimed that at the point of sale they agreed to purchase an alarm system and were not advised of any additional costs involved.
- The builder stated it had advised the buyer through its Home Maintenance Guide that servicing was the homeowner's responsibility and had arranged for the system manufacturer to inspect the system and no faults were found.
- The adjudicator determined the builder was in breach of Section 1.5 of the Code as it did not advise the buyer of the ongoing monthly charges required for the system to function as intended - the sales and advertising material were not clear.



Case succeeded

Flooring pre-purchase and after-sales

- The buyer claimed the builder had failed to carry out remedial works to the floor to either the agreed standard or the standard referred to within the marketing materials.
- The builder stated the flooring had been installed in compliance with required tolerance levels, there was no evidence of misleading marketing information, and the buyer had been compensated for disruption experienced as a result of the works.
- The Adjudicator found in favour of the builder noting the brochure did not specify the technical standards to which screed would be laid and that industry standards and tolerance levels are technical aspects that would need to be addressed by the home warranty provider.
- The adjudicator also found that the buyer's complaints had been dealt with in line with the builder's formal complaints procedure and addressed in depth.



Did not succeed

Read these and more case studies here: <https://consumercode.co.uk/case-studies/>

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.



Over the past few months we've been shining a spotlight on this wealth of experience - you can read [recent spotlight interviews](#) in full on our blog. In this issue we focus on Kim Carter, Senior Claims Outcome Manager at NHBC.

How did you find yourself working in the home building industry?

I started my career in insurance, initially dealing with household/buildings claims and then commercial and liability claims. I joined NHBC over 25 years ago and have learnt a considerable amount about the home building industry - how it operates, the challenges builders face and how, by working with builders, we can bring about successful outcomes for homeowners.

What do you consider to be the role for warranty providers in protecting consumers?

I believe warranty providers help to improve the quality of construction of new homes and provide valuable protection to consumers should a problem arise. The claims data collected by warranty providers is fed back to builders and the industry so that construction and customer service can be improved.

What are the most important elements of good customer service when selling new homes?

Builders must ensure that they provide accurate information concerning the properties they are selling to ensure purchasers aren't misled. In addition, builders must communicate promptly and have an efficient complaints procedure so that if there are any problems they are resolved with the minimum of distress and inconvenience to the purchasers.

What's the one area you'd encourage builders to put more time into getting right?

Apart from ensuring properties are built properly, the main area would be for builders to act promptly when a problem arises.

What improvements would you most like to see within the industry?

Continuing the focus on build quality and customer service. Builders must consider the purchaser in everything they do and we should all be striving to deliver a positive experience for home buyers.

What's your top tip for switching off after a busy working day?

My first stop is to put the kettle on and have a quiet cup of tea. This gives me a chance to mull over the day, park things and switch off until tomorrow.



Read the full [interview with Kim Carter](#) on our blog.

Supporters of The Code

