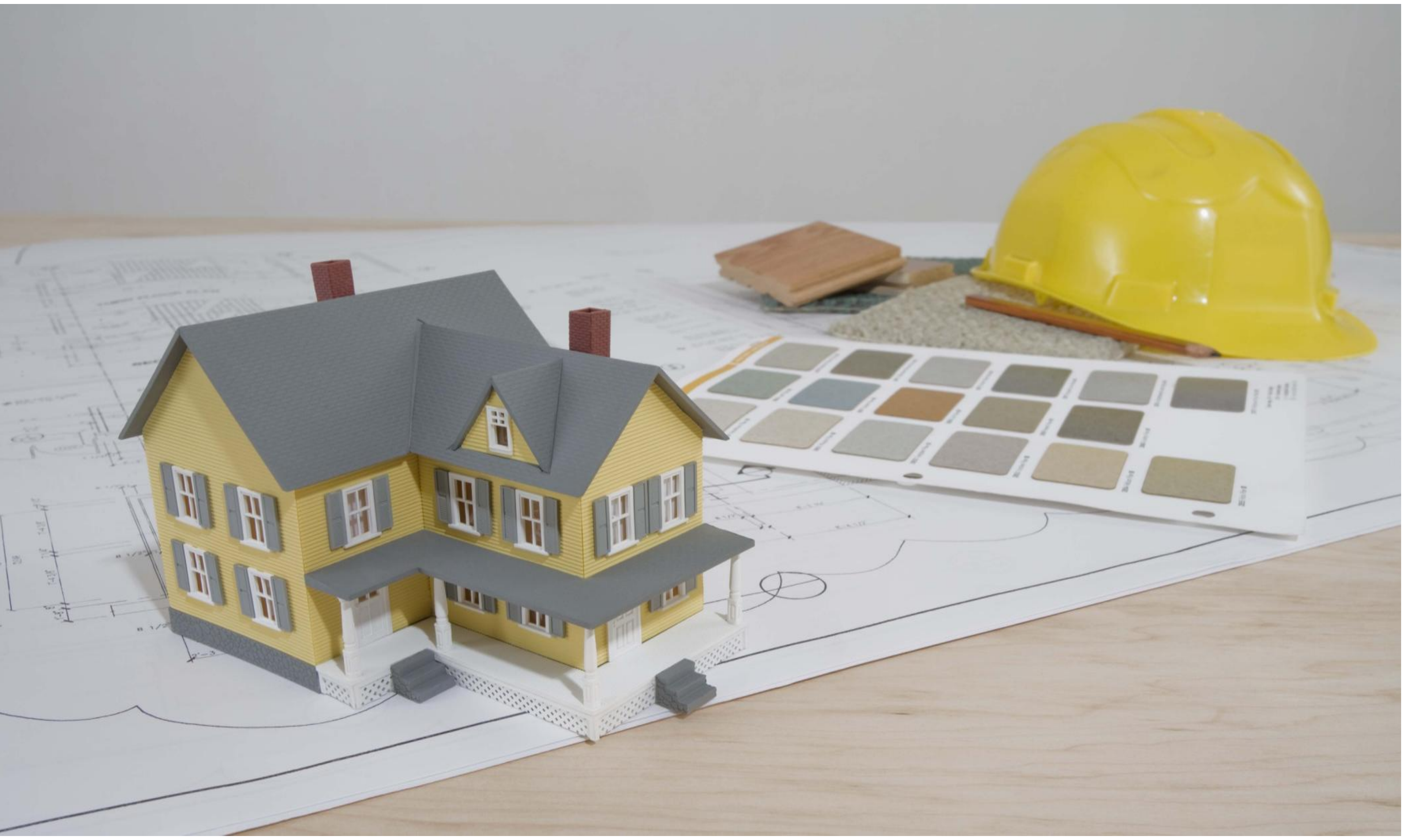
The Consumer Code for Home Builders Independent Dispute Resolution Scheme

Annual Report: 2025



CENTRE for EFFECTIVE DISPUTE RESOLUTION

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The Consumer Code for Home Builders Independent Dispute Resolution Scheme (IDRS)

The Consumer Code for Home Builders (the Code) is an industry-led code of conduct for builders, which was developed to make the home buying process fairer and more transparent for purchasers. The Code, which came into effect in April 2010, applies to all home builders registered with the UK's main new home warranty providers[1]: NHBC, Premier Guarantee, LABC Warranty and Checkmate (policies sold by Lockton Companies LLP); and consists of 21 requirements and principles that home builders must meet in their marketing and selling of homes and their after-sales customer service. The Code is now in its fifth edition, which came into force in January 2024.

Under the Code, home builders are required to have a system for dealing with complaints. However, if a home buyer is not happy with their response, they should contact the home warranty provider within three months of the date of the home builder's final response to the original complaint. The home warranty body will either deal with the complaint under the terms of the warranty or provide the home buyer with an application form and a set of the Independent Dispute Resolution Scheme (IDRS) rules so that the complaint can be referred to independent adjudication.

IDRS is provided independently by Centre for Effective Dispute Resolution (CEDR) for resolving disputes between Home Builders and Home Buyers covered by the Code. The scheme can consider a dispute arising from anything a Home Builder does or does not do that the Home Buyer thinks is a breach of the Code and which may have caused the Home Buyer disadvantage or financial loss. From 1 January 2024, a Home Buyer can make a claim for up to £50,000, including any consequential damages and VAT. This also includes any amount for inconvenience, which is limited to £2000 per claim[2].

An independent, experienced Adjudicator will make a Decision on disputes by considering the written evidence received by the parties. The Adjudicator's Decision will become binding on a Home Builder if the Home Buyer tells the administrator that they unconditionally accept the Decision. If a Home Buyer rejects the Decision or does not tell the administrator that they have accepted the Decision within six weeks, the Decision will not take effect and will not be binding on either party.

Further details of the adjudication process can be found within the Scheme Rules section of this report.

[1] Excludes homes that at the time of reservation by the first buyer are covered by the New Homes Quality Board Code (NHQC). Builders operating under the NHQC must still comply with Code requirements for new homes reserved prior to activation with the NHQC.
[2] These financial limits were updated in the fifth edition of the Code, which went live on 1 January 2024. Previously, the fourth edition of the Code had limits of £15,000 and £500 respectively.

Facts and figures

Caseload

This report covers the period 1 January 2025 to 31 December 2025. During this period, a total of 336 cases were referred to IDRS, a decrease of 9% on the amount of cases (369) referred to the scheme in 2024.

Since the Scheme began functioning in 2010, case numbers have increased almost every year, with only 2017 having a slight reduction. Indeed, 2024 saw the highest ever amount of cases referred to the Scheme in a year. However, 2025 has seen the first significant drop in case volumes since the Scheme began operation, a trend that is directly attributable to a number of home builders transferring their ADR coverage from the Code's IDRS to a differing voluntary code of practice scheme, which has resulted in lower case volumes coming to the Code's IDRS.

The cases referred to the Scheme in this reporting period can be broken down as follows:

	2025	2024	2023	2022	2021
Cases found fully in favour of the Home Buyer	51 (15%)	65 (18%)	64 (18%)	60 (19%)	82 (27%)
Cases found partly in favour of the Home Buyer (ie. where not all of the Home Buyer's claims were proved or they were awarded less than they claimed)	103 (31%)	124 (34%)	110 (31%)	92 (28%)	58 (19%)
Cases found fully in favour of the Home Builder	114 (34%)	128 (34%)	110 (31%)	95 (29%)	98 (32%)
Cases settled	9 (3%)	11 (3%)	30 (8%)	44 (14%)	39 (13%)
Cases withdrawn or deemed invalid	59 (17%)	41 (11%)	42 (12%)	33 (10%)	30 (9%)
TOTAL CASES	336	369	356	324	307

Case outcomes

2025 has continued to see a majority of Home Buyers being successful in their claims against Home Builders, a consistent trend that has been noted for many years. Of the 336 cases dealt with by the Scheme in 2025, Home Buyers achieved a positive outcome (ie.

a decision either fully or partly in their favour, or a settlement reached by agreement with the Home Builder) in 163 of them (representing 49% of cases). This is a decrease from the 54% of Home Buyers who obtained a positive outcome in 2024, but continues the trend that approximately half of Home Buyers achieve a positive result from their engagement with the Scheme.

When considering the 268 cases that went all the way to a final decision from an Adjudicator in 2025, Adjudicators found in favour of the Home Buyer (either fully or partly) in 57% of decisions. Although a slight reduction from the 60% of decisions found in Home Buyers' favour in 2024, Adjudicators continue to agree with some or all of Home Buyers' claims in a clear majority of cases.

As noted in the previous report, the proportion of cases in which Home Buyers have been entirely successful in their claims – meaning the Adjudicator gave the Home Buyer everything they asked for – has fallen from 20.5% to 19% of adjudicated cases. Meanwhile, the proportion of cases in which Adjudicators found partly in favour of the Home Buyer and partly in favour of the Home Builder has decreased in 2025 after years of consecutive increases. By contrast, Home Builders' success rates have increased as a proportion of all adjudicated cases, reflecting that Home Builders are defending claims more successfully.

Settlements

Rule 4.3 of the Scheme Rules allows the Home Buyer and the Home Builder to reach a settlement by mutual agreement before an Adjudicator is appointed to make a decision. Where a settlement is reached, the Home Builder pays a reduced administration fee to the Scheme.

In 2025, nine cases were settled between the parties prior to the appointment of an Adjudicator. This continues a trend since 2023 of a very low number of settlements, and is the lowest amount of settled cases in the last five years – although it is the same proportion (3%) as in 2024. Settlements can only be achieved where the parties are prepared to consider them, and where either the Home Buyer or the Home Builder are entrenched in their positions it can be very challenging for them to reach out and seek to negotiate a settlement. It is also the case that Home Builders attempt to reach settlement within their local complaint handling procedures, and if this has been unsuccessful the chances of settling after the Home Buyer has applied to the IDRS are low.

Withdrawn and invalid cases

A total of 59 cases were withdrawn or were deemed to be invalid (ie. outside the scope of what the Scheme can deal with) in 2025, representing 17% of all applications to the Scheme. This proportion represents an increase from 2024, when 11% of all applications to the Scheme were withdrawn or were deemed invalid.

Of the 59 cases that did not proceed to adjudication, the reasons for the withdrawals were as follows:

- 6 cases in which the subject matter of the dispute referred to the Scheme was outside the scope of the Code (Scheme Rule 2.2.5)

- 6 cases in which the disputes were more appropriately dealt with by another forum, in all cases by the New Homes Ombudsman Service (Scheme Rule 2.2.7)
- 4 cases in which the Home Buyer had not made an initial complaint to the Home Builder before applying to the Scheme (Scheme Rule 2.2.3)
- 4 disputes which had been subject to previous cases brought to the Scheme involving the same Home Buyer and the same property (Scheme Rule 2.2.9)
- 2 cases in which the complaint was not made against a company that is a 'Home Builder' within the definition set out in the Code (Scheme Rule 2.2.2)
- 2 cases in which the Home Buyer had applied to the Scheme more than 12 months after the date on which their complaint with the Home Builder reached deadlock (Scheme Rule 2.2.4)
- 2 cases in which the complaint had already been settled by the parties before it was brought to the Scheme (Scheme Rule 2.2.13)
- 33 cases were voluntarily withdrawn by Home Buyers prior to a decision being made by the adjudicator

Alleged and identified breaches of the Code

Where a Home Buyer alleges in their application to the Scheme that a particular part of the Consumer Code for Home Builders has been breached, the most commonly alleged sections are 5.1 (ie. procedures for handling calls and complaints), 4.1 (ie. an accessible after-sales service), 2.1 (ie. pre-purchase information) and 1.5 (ie. clear and truthful sales and advertising material). These have consistently been the most commonly alleged breaches of the Code since the Scheme began operating.

Of the 154 decisions in which an adjudicator found the Home Builder to have breached the Code during 2025, the most common sections of the Code found to have been breached were:

- 5.1: a total of 101 decisions (66%) identified a breach of the Home Builder's duty to provide appropriate procedures for handling calls and complaints
- 4.1: a total of 41 decisions (27%) identified a breach of the Home Builder's duty to provide an accessible after-sales service
- 2.1: a total of 27 decisions (18%) identified a breach of the Home Builder's duty to provide the Home Buyer with enough pre-purchase information to help them make a suitably informed purchasing decision
- 1.5: a total of 13 decisions (8%) identified a breach of the Home Builder's duty to ensure that sales and advertising material is clear and truthful

Money claims

In 2025, the Home Buyers who applied to the Scheme claimed a total combined sum of £2,350,018.03. This sum represents an increase of 1.5% in the total amount claimed by Home Buyers in 2024. Similarly, the average sum claimed by Home Buyers in 2025 was £6994.10, which is an increase of 11% on the average of £6274.64 claimed in 2024. This is an interesting trend given that the number of cases coming to the IDRS in 2025 decreased by 9%, clearly indicating that Home Buyers are more demanding in terms of their financial claims than ever before.

	TOTAL SUM CLAIMED	TOTAL SUM AWARDED
2025	£2,350,018	£135,565
2024	£2,315,341	£104,284
2023	£2,125,279	£108,087
2022	£1,695,579	£95,271
2021	£1,804,332	£144,614

The total amount awarded to Home Buyers by Adjudicators in 2025 was £135,565. This is an increase of 30% in the total amount awarded when compared with 2024, which is interesting given that there were a lower total number of decisions that were either fully or partly in favour of Home Buyers. It could be expected that the total amount awarded to Home Buyers would decrease with a lower number of successful claims, but in fact while fewer awards may have been made to Home Buyers, their value has been generally higher. Indeed, the average amount of compensation awarded by Adjudicators in cases where the Home Buyer's claim was successful in 2025 was £880.29. This is a 60% increase on the 2024 average of £551.77.

It is also important to highlight that 5.8% of the total sum claimed by Home Buyers was actually awarded by Adjudicators in 2025, a proportion that had been decreasing year on year prior to this (4.5% in 2024, 5.1% in 2023, 6% in 2022 and 8% in 2021). This increase bucks this trend, potentially indicating that Home Buyers claimed more proportionate sums of money in 2025 than in previous years.

Many Home Buyers claim the maximum amount of compensation available on the basis that if money is not claimed then it cannot be awarded. In 2025, two Home Buyers claimed the maximum compensation available of £50,000, representing just 0.6% of all claims, down from 1.6% of all claims in 2024. This is likely due to the maximum compensation limit being raised from £15,000 in January 2024, as 25% of all claims in 2023 were for the maximum £15,000. Having a higher compensation limit has evidently reduced the proportion of Home Buyers claiming the maximum amount. Nonetheless, the Independent Adjudicator's role is to give an objective assessment of the value of a Home Buyer's claim based on the evidence that has been put forward by the parties. Therefore, it is inevitable that every year the amount awarded by Adjudicators is significantly lower than the amount claimed by Home Buyers.

There were 21 decisions made by Adjudicators in 2025 in which the Home Buyer was awarded more than £1000. This is a slightly higher proportion (14%) of decisions in which Home Buyers were awarded more than £1000 in 2024 (11%). Of the 21 higher-value awards in 2025, two awards were for more than £10,000, which was the same amount as in 2024. At the other end of the scale, 27 decisions awarded the Home Buyer £250 or less. This is a slightly higher proportion of low-value awards (17.5%) than in the previous year (15%). Further, 26 decisions in 2025 awarded Home Buyers a non-monetary award, significantly lower than the 47 non-monetary awards in 2024. Taken together, this indicates that Home Buyers received monetary awards more often in 2025, but those awards are predominantly similar in their size to those of previous years.

Accepted or Rejected

Any decision made by an adjudicator through the Scheme will only be binding on the parties if the Home Buyer chooses to accept it within six weeks of its publication. Where a Home Buyer chooses to reject a decision, or where a Home Buyer fails to respond within six weeks of the decision being made, the decision has no effect whatsoever on either party. Decisions are not open to review or appeal under any circumstances.

Below is a breakdown of the cases that have been accepted, rejected and not responded to by Home Buyers:

	2025	2024	2023	2022	2021
Decision accepted	116	144	135	132	103
Decision rejected	89	109	81	51	69
No response	63	64	68	64	66

In 2025, 43% of decisions were accepted by Home Buyers, which is a decrease from the 45% of decisions accepted in 2024. This is to be expected given that the proportion of decisions in favour of Home Buyers decreased in 2025.

Non-compliance inconvenience charge

On 1 April 2025, the IDRS introduced a new process recognising the inconvenience caused to Home Buyers where an adjudicator make a decision in their favour that they accept, but which the Home Builder does not follow within the required timescale of 20 working days.

Under this new process, a Home Builder that does not comply (and who has not taken reasonable steps to comply) with an adjudicator's decision within the above timescale is liable to pay a charge to the Home Buyer for the inconvenience caused by their non-compliance. This charge accrues at a rate of £5 per calendar day that the Home Builder is considered to be non-compliant.

From April to December 2025, only three such charges were applied. One was for £35 (for 7 days of non-compliance), one for £85 (for 17 days of non-compliance), while the final charge was £385 (for 77 days of non-compliance). The low frequency with which such charges are applied reflects the fact that the vast majority of decisions are complied with by the required deadline, and the introduction of the charge may be seen to have a deterrent effect, ensuring Home Buyers promptly receive the awards they are entitled to.

Service statistics

Of the 268 cases from 2025 that went to adjudication, 257 of them (representing a total of 96%) reached a Proposed Decision within 8 weeks of the date on which the Home Buyer's application was sent to the Home Builder for their response. This is an increase on the 92% of Proposed Decisions completed within eight weeks in 2024, and a very substantial improvement on the 44% achieved in 2023. This has been made possible by increased staffing resources and an upgraded case management system that moves cases on in the process automatically.

As with the previous year, none of the cases dealt with during 2025 exceeded the statutory timeframe of 90 calendar days from the date on which the complete complaint file is received to the date on which the Adjudicator's decision is produced, which is mandated by the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 for all consumer dispute resolution schemes in the UK.

User feedback

After each case is complete, Home Buyers are invited to provide feedback on their experience of the IDRS process. While the outcome of a decision often influences the feedback provided, Home Buyers have offered useful perspectives on what aspects of the process were positive and which areas could be potentially improved upon.

In this reporting period, Home Buyers were satisfied with the quality of the adjudications, the independent role of the IDRS in listening to users, and the smooth running of the case process:

"Thank you to CEDR and the Case Officers who were all helpful during the process, I very much appreciate the support and outcome reached.

"I am very happy with the level of care and detail the adjudicator went into in issuing the final decision, so thank you CEDR."

"The system was easy to navigate and I received consistent email updates throughout the journey, so I knew exactly where my case was at and the due date for the next action."

On the other hand, some Home Buyers raised concerns about the outcomes reached by adjudicators, the length and detail of the adjudicators' decisions, and the lack of a messaging facility on the online case management system to allow them to communicate directly with Home Builders:

> "The adjudicator did not agree with me, so I am dissatisfied with the outcome."

> "The adjudicator's decision was too long and detailed, so whilst I acknowledge there was a summary page, I was not used to reading such a detailed decision, so could be shorter."

> "The online portal had a comments section but not a discussion board/ messages area for us to contact the home builder, it would be useful to have this feature for easier and quicker communication."

It is unavoidable that Home Buyers who do not receive an outcome in their favour are more disposed to leaving negative feedback about the IDRS process in general. However, no matter the outcome the adjudicator reaches, decisions should always be articulated clearly and understandably. While the importance of providing detailed reasoning for decisions remains high, it is useful to note that some Home Buyers considered decisions to be too detailed. The summary page at the start of the adjudicator's decision was designed in order to offer an 'at-a-glance' overview of the outcome of the case for those who did not wish to read the full decision – but this feedback will be taken on board with a view to streamlining the language used by adjudicators to enhance comprehension for the broadest possible audience. Further, CEDR is currently in the process of building a new case management system, due to go live in 2027, so all feedback on the perceived shortcomings of the existing system are welcomed.

Case Studies

Summary versions of every case that has been dealt with by the Scheme and which have gone all the way to an Adjudicator's decision can be found at the following link: https://consumercode.co.uk/home-buyers/how-are-complaints-dealt-with/adjudication-case-summaries/

Scheme Rules

The latest version of the Scheme Rules (1 April 2025 edition) can be accessed here:
https://www.cedr-assist.com/hubfs/CEDR%202025/Consumer_Documents/Consumer-Code-for-Home-Builders-Service-Rules-Apr-2025.pdf