

# CONSUMER CODE NEWS

SUMMER 2019



## WELCOME

Welcome to our summer 2019 newsletter. We've been particularly busy in recent months, resulting in a number of changes to strengthen the support we provide to new home buyers. In this issue you can read about the removal of the complaint fee for consumers, the addition of Checkmate as a Code sponsor, and details of our new enquiry line.

We're also making good headway in our efforts to provide a single unified Code to apply to all new homes, and in working with warranty providers and other stakeholders to develop a minimum standard for warranty schemes.

As this newsletter went to press, the government launched a second consultation into proposals for a New Homes Ombudsman. We are working on our response which will be shared on our website in August.

If you have any queries in the meantime, please get in touch via [secretariat@consumercode.co.uk](mailto:secretariat@consumercode.co.uk)

Noel Hunter, Chairman

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HOME BUILDERS  
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## WARRANTY PROVIDER, CHECKMATE, JOINS THE CODE



The UK's fourth largest warranty provider, Checkmate, has joined the Consumer Code for Home Builders, with effect from 1 June 2019. As a result, even more buyers stand to benefit from our robust customer service standards and protection.

Checkmate joins existing Code supporters, NHBC, Premier Guarantee and LABC Warranty, meaning the Code now covers up to 95% of all new homes built in the UK.

All builders operating under the Code's supporting warranty body schemes must comply with the Code's requirements that make the process of buying a new home fair and transparent, giving additional reassurance to home buyers.

In some cases, one developer may build homes under different warranty schemes. By expanding the Code's reach, builders will be clearer about their responsibilities to consumers regardless of which major warranty scheme they operate under.

## COMPLAINT FEES REMOVED FOR HOME BUYERS TO ENHANCE SUPPORT

We have removed the fee that consumers traditionally had to pay to bring a complaint through our Independent Dispute Resolution Scheme, with effect from April 2019. This is a major step forward in giving home buyers easy access to redress should something go wrong with their purchase.

Prior to the change, the claim fee was refunded in most cases where a claim was upheld. However, cancelling the fee altogether has removed a potential barrier for home buyers, giving them even more confidence in their purchase decision.

Builders still have to pay a fee when a complaint is raised against them, partly to incentivise providing a good service and also to resolve issues quickly and thoroughly before they escalate.

# NEW PHONE LINE CONFIRMED FOLLOWING SUCCESSFUL PILOT

We are delighted to confirm that our customer helpline is now permanent, following a successful trial.

The Code recently piloted a new telephone helpline to offer guidance to consumers, builders and those involved in the selling of new homes. Working with an established and independent contact centre, the helpline has been helping with general queries about what the Code covers and how its requirements apply in the purchasing process.

The pilot concluded in May and was considered a real success. As such, a contract has now been awarded to continue operating this service.

Code Chairman, Noel Hunter, said: "Our new telephone line provides an easy way for people to get in touch if they have concerns during the home-buying process - whether that is pre-contract, exchange of contract or during occupation. The Code continues to be committed to providing protection and rights to new-build home buyers."

While the helpline team cannot advise consumers on Code breaches or individual cases, it can advise how to raise a complaint through the Code's independent dispute resolution scheme.

For general enquiries relating to the Code, the helpline team can be contacted on 0345 608 9797 between 10am - 4pm, Monday - Friday. Alternatively, the Code can be contacted by email at [enquiries@consumercode.co.uk](mailto:enquiries@consumercode.co.uk).

## BECOMING FULLY INDEPENDENT - WORK IN PROGRESS

In our last annual report and newsletter, we talked about our plans to make the Code more independent from the home building industry and we're pleased to report that significant progress has been made.

Although our dispute resolution scheme has always been fully independent, currently, our Board includes the Code's supporting warranty bodies, other industry representatives and consumer groups. The creation of an independent Board will still enable industry input but will be consumer-led.

While this might sound straightforward, there's a lot of work required to make this happen in practice, including transforming the Board's current governance arrangements. The legal framework is almost complete and on schedule for consultation with stakeholders, who include: The industry and warranty bodies, consumer organisations, other Code bodies, government departments and the devolved administrations.

The new Board will retain the critical role as regulator, overseeing Code compliance. This will ensure a focus on 'getting it right first time' to reduce the problems some new home buyers experience in their pre-purchase and after-sales.

We are still working through the finer details but hope to be advertising for new board members in the autumn. Watch this space.



## NEW CHIEF EXECUTIVE APPOINTED

**Carol Brady MBE has been appointed Chief Executive of the Consumer Code for Home Builders.**

Carol has extensive experience in consumer and regulatory policy and has been providing Secretariat services for the Code since May 2014. Prior to working with the Code, she was previously the Chair of the Board of the Chartered Trading Standards Institute and non-executive Chair of the Board of the Claims Management Regulation Unit for the Ministry of Justice. She previously helped set up the Office for Legal Complaints (Legal Ombudsman) under the Legal Services Act and worked as a Senior Ombudsman, overseeing decisions within the legal sector. Her current advisory role includes sitting on the Board, as an independent advisory member, of the Commission for Local Administration (the Local Government and Social Care Ombudsman). She was awarded an MBE in June 2016 in recognition of her services to consumers and better regulation. She is a Fellow of the Chartered Trading Standards Institute.

Noel Hunter, CCHB Chairman, said: "Carol Brady brings significant expertise to our organisation, and has been instrumental in implementing recent changes to improve our service to home buyers. Carol is a real asset to our team, and we're delighted to give her role the recognition it deserves."

# NEW HOMES WEEK

## HIGHLIGHTS THE BENEFITS OF MODERN HOMES

This year's New Homes Week saw a creative approach to promoting new homes, covering benefits such as having a blank canvas you can add your own style to, through to the security of choosing a home built to latest building and environmental standards, backed by a guarantee. The promotional week, which ran from 13-17 May, is supported by the Home Builders Federation and Homes for Scotland and celebrates the many positives of new build homes.

A survey commissioned for New Homes Week sought to discover who would buy new and what it is that attracts people to a new build home. The survey found that three quarters of home seekers would consider a new build home, with energy efficiency, not having to carry out DIY or spend thousands on renovations cited as the most attractive features for buyers. A significant number also liked the idea of unleashing their inner interior designer onto untouched, neutral interiors.

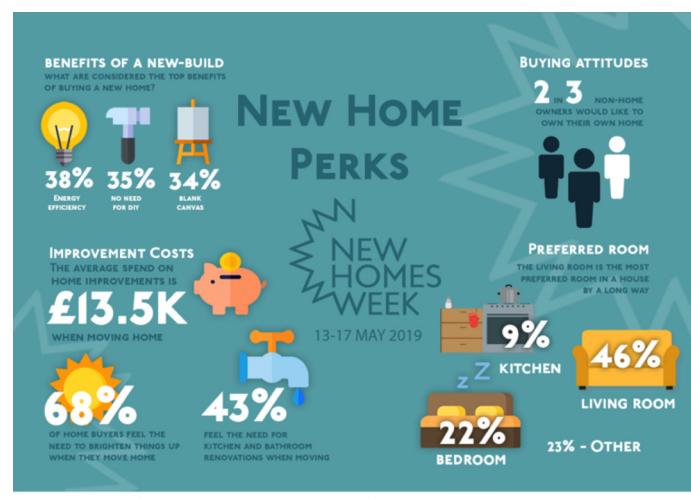
Here at the Code, it's easy to focus predominantly on what can go wrong with a new build and how to put it right. But it's important to remember that there are thousands of homes built every year, and the majority of owners are really happy with their purchase.

Noel Hunter, Code Chairman, said: "New Homes Week is a great opportunity to celebrate the many benefits of new homes. It's good to hear so many people would consider buying new. With most new homes protected by a ten-year warranty and additional protection through the Code, there is a lot to be excited about when it comes to buying new."



Please click [HERE](#) to watch the video

New Homes Week took a cosmic approach to celebrating the benefits of new homes



Research was conducted by The Home Builders Federation on April 12th to April 15th, 2019 by Deltapoll using a sample size of 2,055 British adults.

New Homes Week (13-17 May 2019) raises awareness about the benefits that buying a new-build home gives you.  
To find out more, visit the website: <http://www.new-homes.co.uk/new-homes-week/>  
**#NEWHOMESWEEK**



A snapshot of the New Homes Week research findings



Homes for Scotland produced a number of helpful fact sheets as part of New Homes Week.

## LATEST REPORT SHOWS AN INCREASE IN CODE CASES

We are currently working on our Annual Report for 2018 which will include details of the number of cases and decisions reached over the 12-month period from 1 January 2018 to 31 December 2018.

Early indications are that the number of cases dealt with by our Independent Dispute Resolution Scheme **rose by almost 20% on the previous year** - 106 cases, compared with 89 the previous year. This may be partly due to the increase in number of houses built (7.7% higher than new homes completed in 2017) and may also be thanks to the work being done to raise awareness of the scheme.

**The most common breaches in 2018 related to not providing enough pre-purchase information (Requirement 2.1) and failing to provide appropriate procedures for handling complaints (Requirement 5.1).**

Up to and including the 2018 report, we have reported cases as partially succeeding if the home buyer did not receive the full amount of money claimed and/or they failed to prove all the breaches of the Code they had alleged. However, having now introduced a draft decision stage, which gives consumers the opportunity to submit additional evidence to support their claim, including any financial loss, from 2019 all claims where a breach of the Code is found will be registered as 'succeeded'. The aim is to remove any confusion about claim outcomes.

More details will be published in our Annual Report in the summer.

## 20% INCREASE IN CASES

106 CASES IN 2018  
COMPARED TO  
89 CASES IN 2017



## UNIFYING STANDARDS AND REDRESS TO HELP CONSUMERS

The Code is in regular contact with government and other stakeholders to identify ways to improve redress for consumers. In the wake of high-profile concerns reported in the media regarding build quality, and calls from both the Ministry for Housing, Communities & Local Government (MHCLG) and the All Party Parliamentary Group (APPG) on Housing for the creation of a New Homes Ombudsman Scheme, we are currently working with the wider industry to enhance and simplify the standards and protection offered to those buying new homes, including:

- 1. Creating a New Homes Ombudsman:** Our new independent Board, once formed, will commission an Ombudsman by open competition. This will replace the current Independent Dispute Resolution Scheme. Commissioning the Ombudsman in this way will allow the Board to seek best value, ensure operational standards are maintained and give confidence to consumers that the Ombudsman will be held to account.
- 2. Creating a unified Code:** We are working with other code schemes to agree a unified code to be applied across the home building industry. When the draft Code is available, there will be a comprehensive independent consultation. The aim is to reach a situation where consumers can be confident about the support they will receive regardless of when or where in the UK they buy a new home.
- 3. A best practice warranty standard:** Warranty policies vary and can be complex, making it harder for both consumers and their agents to fully understand what is and isn't covered. Addressing this won't be a quick fix, but it is an important issue and one that will also need widespread consultation and legal input. Look out for further updates on progress in future newsletters.



## BE PROUD – SHOWCASE THE CODE LOGO AND SHARE YOUR GOOD NEWS

Since becoming accredited by the CTSI Consumer Codes Approval Scheme last year, all member builders should display the Code logo alongside the CCAS logo which can be downloaded here:

<http://www.consumercode.co.uk/wp-content/uploads/2019/02/Consumer-Code-logo-and-colour-guidelines-February-2019.pdf>



The CTSI is keen to promote awareness of its scheme and will share photos of its logo in use by Code members. Under the Code you must use the above logo in sales offices and sales brochures so why not take a photo and share it on twitter – don't forget to tag @TheCode\_CCHB and @ConsumerCodes for extra publicity.

## FACT OR FICTION?

We've been raising awareness of the benefits of the Code via social media and listening to comments and feedback.

There is still some confusion about the benefits of the Code, including whether the Code provides any additional protection for consumers beyond existing legal rights.

**"The Code offers additional protection for consumers"**

**FACT**

After lengthy delays, home buyer 'A' looked to withdraw from their purchase. The home builder refused to refund the reservation fee.

Despite the lack of a signed reservation agreement, 'A' successfully claimed their £5,000 reservation fee refund and their application fee. The adjudicator agreed entirely with the home buyer's claim that the documentation presented indicated the intention of the parties and that a reservation agreement had been entered into.

*Without the Code, this reservation fee is not covered by consumer protection legislation and it is unlikely it would be refundable.*



## SHARE YOUR NEWS

If you've got a good story to share, whether it's training your staff on the Code or feedback from a customer about your service, drop us a line at [secretariat@consumercode.co.uk](mailto:secretariat@consumercode.co.uk) and we'll do our best to share your successes.

For general enquiries relating to the Code, please call us Monday to Friday between 10am to 4pm on 0345 608 9797\* or email our enquiries team at: [enquiries@consumercode.co.uk](mailto:enquiries@consumercode.co.uk)

\*Calls to 0345 numbers usually cost the same as standard UK landline numbers. Please check with your network provider.

## WHO SUPPORTS THE CODE



premier  
guarantee



CEF  
CONSTRUCTION  
EXCELLENCE  
FEDERATION