



WELCOME

Welcome to the latest newsletter from the Consumer Code for Home Builders.

We have delayed this newsletter in order to share the news that the Consumer Code has been approved by the Chartered Trading Standards Institute, providing added independent endorsement of the Code.

Alongside this announcement, we have also made significant headway in making the Code's board independent of the home building industry (see page 2). This is in addition to the CCHB's already fully independent dispute resolution scheme, disciplinary panel and advisory forum.

Also in this issue is our response to proposals for a new homes ombudsman, latest findings from our compliance audits plus links to useful information for home buyers.

Progress is being made in improving standards in home building, as evidenced by customer satisfaction surveys as well as reductions in complaints. However, we all recognise there is still a long way to go. With the pressure on to build yet more houses at a pace, it's vital that we continue to work in partnership with the industry to deliver quality homes that consumers are pleased to purchase.

Noel Hunter, Chairman



CTSI Executive Director, Leon Livermore (right) presents Noel Hunter, CCHB Chairman, with the CCSI Certificate of Approval

CONSUMER CODE SECURES APPROVAL FROM THE CHARTERED TRADING STANDARDS INSTITUTE

The Consumer Code for Home Builders has been approved by the Chartered Trading Standards Institute (CTSI). The Consumer Code is now a fully approved code sponsor after completing the CCSI Consumer Codes Approval Scheme (CCAS) process.

Home building is one of the largest industries ever covered by a CCSI approved Code, and has undergone particularly robust scrutiny as a result. Being a CCSI code sponsor gives home buyers added confidence that the Code is robust and meets the high expectations set by CCSI.

CCHB Chairman, Noel Hunter, said: "The detailed inspection completed by CCSI offers considerable assurance that the Consumer Code is sound, both to home buyers looking for support, and to builders and their agents seeking to improve standards."

In order to secure CCSI approval, the Code was independently examined by experienced auditors who were looking for evidence that the Code can influence and raise standards across its membership; monitor compliance and has appropriate measures to respond where non-compliance is found; that there is access to an independent dispute resolution scheme for any complaints raised with a member that isn't resolved; and that the Code can keep pace with changing market and industry practices and expectations. The auditors' findings also confirm that the Management Board of the Code is committed to raising the awareness among consumers to the protections the Code provides.

CTSI Head of Client and Commissioning Sue Steward said: "Buying a new home can be a stressful experience. The Consumer Code for Home Builders provides essential reassurance for new home buyers that their rights are protected and that they can seek redress should a home builder fail to meet the pre-sales, purchase and after-sales requirements set out in the Code. Through our assessment, the Consumer Code has demonstrated good governance and fair practices, and we are confident in the Code's approach to supporting consumers."

GOVERNMENT ANNOUNCES PROPOSALS FOR NEW HOMES OMBUDSMAN



At the Conservative Party Conference, Secretary of State for Housing, Communities and Local Government, James Brokenshire, announced plans to launch a New Homes Ombudsman. His speech talked about a new watchdog that will “champion home buyers, protect their interests and hold developers to account”.

The Consumer Code for Home Builders welcomes moves to improve consumer protection and standards in new homes. However, there is very little detail about how this ombudsman would work in practice, and what it would cover.

In seeking to simplify the process for consumer redress, it is important that the standards home builders are required to meet are not watered down. Moreover, we are seeking reassurances from government that there will be a continued commitment to proactively raising standards and monitoring compliance with codes of practice. Traditionally, these are not roles an ombudsman would fulfil.

Noel Hunter, Chairman of the CCHB said: “It is positive to see the government engaging with this issue at a senior level, but we are keen that any new arrangements prioritise home buyers and are realistic in what they can deliver. Unfortunately, many ombudsman schemes can only financially compensate consumers and lack the power to take action in response to poor performance, limiting their ability to improve the overall quality of service.”

In the meantime, the CCHB is continuing its work to enhance consumer representation on its board (see article below) and is working with other code schemes such as the Consumer Code for New Homes to develop a single code to which all developers must adhere.

IMPROVING CONSUMER PROTECTION THROUGH INDEPENDENCE

Since its launch in April 2010, The Consumer Code for Home Builders has been providing protection and rights for new home buyers by ensuring they are treated fairly and are kept fully informed about their purchase before, during and after they purchase a home.

In the Code’s 2017 Annual Report, Chairman Noel Hunter reflects on recent well-publicised failings in consumer protection and subsequent negative impact on the image of certain sections of the industry. A proactive response by the industry, led by the Home Builders Federation and Homes for Scotland, has demonstrated its continuing commitment to improve consumer protection by announcing a series of changes. You can read our annual report [here](#).

In order to fully support these changes, the Management Board of the Code is changing to strengthen its consumer focus and operate independently from the industry.

It is anticipated that by April 2019, representation on our board will have changed considerably and we will have expanded the number of consumer representatives so that the majority of board members are consumer-focused.

The changes however are complex to implement, but achievable with the right support. We hope to be in a position to advertise for new board members in early 2019. Further details will be published on our website in due course.



COMPLIANCE VISITS HIGHLIGHT OPPORTUNITIES TO IMPROVE

Independent auditors, Quincetree Ltd, have now assessed a number of sites in the Midlands and East Anglia. These compliance visits are an essential part of our work to help builders comply with the Code and deliver a great service to home buyers.

The team has identified evidence of good practice in many areas, including:

- Availability of Code Packs for potential customers to read and/or take away with them
- Visibility of the Code logo on sales literature
- Utilisation of Code on-line training
- Good working knowledge of the principles regarding responsibilities of the builder and the home warranty company
- Regular staff meetings to ensure staff are aware of any issues/changes
- Sites complying with the Code's health and safety requirements
- Familiarisation meetings with home buyers before completion to identify and resolve snagging issues

However, there were also a number of areas that require improvement at some sites. These include:

- Code visibility, particularly with Estate Agents acting on behalf of a builder
- An indication of the management fee, including stating in what circumstances and on what terms the charges and fees may alter
- Training on the Code, particularly for Estate agents, many of whom were unaware of the free on-line Code training
- Reservation fees still failing to say what the range (in monetary terms) of the possible cost retention may be if the home buyer cancels
- Lack of pre-information on which a home buyer can make a reasonably informed decision as under 2.1 of the Code

Although not a specific requirement with the Code, the auditors have also advised that the details of the Code and the protection it affords home buyers should be displayed on home builders' websites. Consumers often look at these websites for details of new developments, providing an ideal opportunity to raise awareness of the Code and ensure potential home buyers know what to expect from the sales process.



Where sites have been visited, feedback has been provided to the home builder on the results of the audit and which highlights any good practice found. It further points out where compliance with the Code may have fallen short and therefore what the home builder needs to do to address it.

From November, Quincetree Ltd will begin auditing sites across the West Midlands and South West - this presents an ideal opportunity for the sites in those areas to review their compliance with the Code so they can demonstrate their good practice during the audit.

Such visits will also encompass monitoring Estate Agents who sell new homes on behalf of developers/home builders and who are also required to comply with the Code requirements.





LACK OF CLARITY FOR LEASEHOLDERS

Propertymark recently surveyed 1000 new home buyers about their experiences of buying a leasehold property, discovering that the majority didn't fully understand what being a leaseholder meant, or the meaning of some of the language used in the contracts.

Over half (57%) of homeowners said they lacked clarity on what being a leaseholder meant until after they had purchased the property. Others only became aware of its meaning halfway through the buying process (17%) and a minority (11%) researched the implications of being a leaseholder after their first viewing.

Language used in some contracts was also called into question. Specifically the term 'virtual freehold' - a leasehold length far beyond the norm which can last for up to 999 years. Lack of house buying experience can't be cited as the only contributing factor, as 48% of respondents had previously owned a property.

The Consumer Code for Home Builders (CCHB) makes clear that home builders must provide potential buyers with enough pre-purchase information to help them make suitably informed purchasing decisions. Specifically, this must include details of any management services and organisations to which the home buyer will be committed along with an estimate of their cost.

Whilst the Government has pledged to tackle unfair practices in the leasehold market, consumers who were not made aware of the fact their property would be leasehold and/or the resulting implications may be able to seek financial redress through the CCHB's independent dispute resolution scheme. To find out more, visit our [website](#).

RAISING AWARENESS OF THE CODE

Effective and regular communication with the industry, consumers and stakeholders remains an important element of articulating the aims, role and achievements of the Consumer Code for Home Builder's (CCHB). Over the past year, the CCHB has been focusing on using digital communications as a more accessible route to raising awareness of its remit.

With the widespread use of social media, the Code now has a presence on Twitter, regularly sharing news and tips on how it supports new home buyers. You can follow The Code at: [@TheCode_CCHB](#).

Re-launched in 2017, the Code's website continues to be the main source of information for home builders and home buyers relating to the Code. Enhancements include the "at a glance" Code Requirements page, simplified complaints process summary and regularly updated News section.

Visitors are also able to sign up to receive future issues of this newsletter directly via email.

WHAT TO EXPECT FROM YOUR NEW HOME

Buying a brand new home is an exciting experience and it's natural to want everything to be perfect. But sometimes it's not always clear how the handover process will work or what to do if you have any problems.

Because of the nature of the materials and processes used to build homes, all new builds will require a period of settling in and 'drying out'. This can often result in minor defects appearing such as small cracks as moisture dries. Although it's rarely anything serious, it's worth being aware of what can happen and what help is available to put things right.

To find out more, download our online guide on what you can expect from your new home. <http://www.consumercode.co.uk/home-buyers/what-can-you-expect-from-your-new-home/>



HAVE YOU GOT QUESTIONS ABOUT THE CODE?

Whether you're a builder (or an Estate Agent acting for one) wanting to understand more about the Code, or a consumer with questions, our myth-busting guide can help.

Based on queries raised about the remit of the Consumer Code for Home Builders, we've compiled a handy FAQ and a myth buster which clarifies what the Code covers and how it can help you. Issues include how the CCHB is funded, how the independent dispute resolution scheme works and how we monitor compliance with the Code.

For details, take a look at the [myth buster](#) or our regularly updated [frequently asked questions](#) online.



FEEDBACK

Please send us your feedback, both on the Code itself and on information you would like us to cover in future newsletters, by emailing Carol Brady at secretariat@consumercode.co.uk

WHO SUPPORTS THE CODE

