



ICW Consumer Code for New Homes

Desktop Audit
14th December 2023

Background information

International Construction Warranties Limited (ICW) was incorporated in 2015. The business provides structural defect warranties for the construction industry. ICW is an appointed representative of ES Risks Ltd which is authorised and regulated by the Financial Conduct Authority.

ICW achieved Stage 2 approval for their Consumer Code in October 2016. Every builder or developer who takes out an ICW structural warranty policy must sign up to the Code. The Code is applicable to all homes where the ICW structural warranty policy was issued on or after 1st issued on or after

Member Application Process

A request for cover is received usually via the ICW website. All applications for ICW Warranty cover are entered onto the system and are reviewed by the underwriting team. ICW undertake their 'know your customer checks' to establish the risk to the business.

An interim quote is offered, subject to acceptance of Code obligations. There are standard acceptance measures to satisfy the underwriter's criteria. This includes accounts history, build experience; m

New Members

Builders and/or developers subscribe to the scheme rather than becoming members. It is a condition of getting warranty cover that builders/developers sign up to the Code and ICW requires re-subscription each time the builder/developer requests additional insurance cover. Many developers are repeat business or have been subscribers to other building warranty codes e.g. NHBC.

ICW directly employ a team 35 surveyors and have a number of self-employed subcontracted surveyors who visit each new build site at least seven times and ensures the quality of the build at each stage. These inspections start with an initial overview visit for the surveyor to familiarise themselves with the plans for the build and develop a relationship with the developer. The first visit also confirms the developers understanding of the Code its' benefits and obligations.

Any key issues are identified including any need for training on the Code, which would be addressed before any new homes are marketed. The surveyors have a prompt in their reporting systems to ask developers about where they display the ICW & CTSI logos. Developers are reminded again at the last stage of the inspection process of the requirements of the Code.

Existing Member Inspections/Audit

Each build is subject to a rigorous inspection regime by an ICW surveyor (who all have relevant construction qualifications) who visits each site seven times during the project, four times for conversions e.g. office blocks converted to flats, barn conversions. Every unit within each build is inspected. There is a final visit to sign-off the build and enable the new home insurance certificate to be issued. Each surveyor uses an electronic pad to photograph and record key stages of the build. The surveyors have quarterly meetings and an annual conference. ICW surveyors and staff visit each site to ensure that the mandatory Code literature is available for buyers of properties.

The reports also cover certification from Building Control, Electrical Safety, Gas Safety, Energy Performance and Engineers Report. Any issues that remain unresolved may be excluded from warranty cover. Any such exclusions are highlighted in the deeds of the property and will be raised by the buyers solicitor in the course of the property purchase.

A digital training package was launched in early 2023 alongside the ICW Learning and Development programme which will centralise the training process and provide real time and accurate audit data for ICW. This will ensure that an open, timely, auditable

and effective communication channel is open between ICW and the builders/developers and their staff.

The Consumer Standards Director for ICW has carried out a schedule of site visits across the UK to sites that have on-site sales offices. An audit and review of the operation of the Code along with an assessment of the builders/developer's knowledge and understanding of the Code is carried out.

It was originally planned that the ICW Consumer Standards Director would visit sites across the UK which have a sales office, to audit and review the operation, knowledge and understanding of the code. The findings were to be part of the annual review.

A single site visit was carried out but it has been decided that auditing is now to be predominantly remote.

Membership Withdrawal & Sanctions for Non-Compliant Member Businesses

ICW Code members do not leave, they remain members of the ICW Structural Warranty Register for the life of the warranty. The warranty lasts 10 years in total and is transferable if the buyer sells the property.

The Code provides for a Disciplinary and Sanctions Panel to be convened if necessary. The panel consists of two insurance professionals, a Trading Standards professional, a Construction industry professional, and a Surveyor or Engineer (e.g. RICS). The Disciplinary and Sanctions Panel is empowered to consider any allegations of a breach of the ICW Code.

Any non-compliant business faces a range of sanctions including a requirement to re-train, a formal warning or a refusal by ICW to issue the final Insurance cert.91 79.05 Tm90 1 72

Marketing and Advertising by Member Businesses

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