

CONSUMER
CODE FOR
HOME BUILDERS

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This document contains
The Code Requirements,
their Meaning and an
Introduction to The
Independent Dispute
Resolution Scheme



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- 1 The Consumer Code came into force on 1 April 2010. This edition applies to all Reservations signed on or after 1 April 2017. It sets mandatory Requirements that all Home Builders must meet in their marketing and selling of Homes and their after-sales customer service.
 - 2 The purpose of the Code is to ensure that Home Buyers:
 - are treated fairly;
 - know what service levels to expect;
 - are given reliable information upon which to make their decisions; and
 - know how to access speedy, low-cost dispute-resolution arrangements if they are dissatisfied.
 - 3 The Code applies to all Home Buyers and Homes as set out in the Scope on page 5.
 - 4 The Home Warranty Bodies have agreed to require all their registered builders to adopt and comply with the Code as a registration condition. If a Home Builder is found to be in serious breach of the Code, Home Warranty Bodies can apply a range of sanctions. These include removal from the relevant Home Warranty Body's register and exclusion from all registers run by other Home Warranty Bodies that take part in the Code scheme.
 - 5 Home Buyers who think they have a dispute because a Home Builder has failed to meet the Code Requirements, may refer their dispute to an Independent Dispute Resolution Scheme.
 - 6 The Consumer Code Management Board will arrange for surveys to check how well the Code is working and measure consumer satisfaction. In carrying out the surveys, the relevant sections of the Data Protection Act will be complied with.
 - 7 To encourage Home Builders to adopt the Code and to enable the Consumer Code's Management Board to check how well it is being applied, or whether it needs to be amended or updated, the following activities may be carried out:
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You can get more information, including copies of the Code documents and advice on frequently
asked questions on the website www.consumercode.co.uk

Home Builders must comply with the Requirements of the Consumer Code and have regard to good practice guidance.

The Consumer Code for Home Builders' Scheme logo must be prominently displayed in Home Builders' sales offices, those of appointed selling agents, and in sales brochures.

All Home Buyers who reserve a Home should be provided with a copy of the Code Scheme with the Reservation agreement.

The Home Builder must have suitable systems and procedures to ensure it can reliably and accurately meet the commitments on service, procedures and information in the Code.

The Home Builder must provide suitable training to all staff who deal with Home Buyers about their responsibilities to them and what the Code means for the company and its directors.

Sales and advertising material and activity must be clear and truthful.

Home Buyers must be told how their questions will be dealt with and who to contact during the sale, purchase and completion of the Home.

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The Code Requirements, their Meaning and an

A dispute may arise where a Home Buyer believes the Home Builder has failed to meet the Code's Requirements but it falls outside the Home Warranty Body's resolution scheme for defects or damage. If so, the dispute may be resolved by the Home Buyer applying to the Consumer Code's Independent Dispute Resolution Scheme. This means a trained Adjudicator will review written submissions from both parties and issue a decision based on his or her conclusions. The Adjudicator will decide whether or not a Home Buyer has a legitimate dispute and has suffered financial loss because their Home Builder has breached the Consumer Code's Requirements.

The following is a summary of this process. More detailed information will be given with each application for adjudication.

- 1 A Home Buyer must first complain to their Home Builder and give the Home Builder the opportunity to investigate and put things right.
- 2 If the Home Buyer is not satisfied with the Home Builder's response, the Home Buyer should contact the Home Warranty Body that issued the warranty on their Home.
- 3 The Home Warranty Body will, if appropriate:
 - 3.1 deal with the complaint under its Home Warranty policy; or
 - 3.2 if the complaint falls outside its own dispute resolution scheme for defects or damage, offer the Home Buyer the opportunity to refer the complaint to the Independent Dispute Resolution Scheme. The Home Buyer can refer their complaint to the Independent Dispute Resolution Scheme only after 56 calendar days have passed since first raising it with the Home Builder and no later than 12 months after the Home Builder's final response.
- 4 If a Home Buyer decides to refer a complaint to the Independent Dispute Resolution Scheme, the following adjudication process happens:
 - 4.1 The Home Buyer must complete an application form and send it to the Independent Dispute Resolution Scheme with their statement of evidence and a case registration fee of £100 plus VAT⁽¹⁾. The Home Buyer's statement must contain all the information relevant to the complaint and identify the Consumer Code Requirement(s) they allege has/have been breached. The Home Buyer must also provide copies of receipts or other evidence of expenditure if making a financial claim.
 - 4.2 The Independent Dispute Resolution Scheme will ask the Home Builder to respond to the Home Buyer's statement. At this stage the Home Builder may resolve the complaint without a formal adjudication – this is called 'early settlement' and costs the Home Builder a reduced case fee of £100 plus VAT⁽¹⁾.

(1) Case fees are subject to annual review.

- 4.3 If early settlement does not happen, the Home Builder must submit their response to the Home Buyer's statement along with a payment of £300 plus VAT⁽¹⁾. The Home Buyer will be given a copy of the Home Builder's response and asked to respond if they wish. At this stage, the Home Buyer may not make any further new complaints about this adjudication.
- 4.4 The Adjudicator will consider both submissions and decide whether or not the Home Buyer has suffered financial loss as a result of the Home Builder's alleged failure to comply with the Consumer Code. Both parties will be expected to have acted reasonably and to have controlled their costs.
- 4.5 The Adjudicator will make a decision and send it to both parties. The decision may be a performance award (where the Home Builder has to do something) or a financial award (where the Home Builder has to pay the Home Buyer money) or a combination of the two. The maximum value of the combined award available under this adjudication scheme is £15,000 including VAT.

- 4.6 ^f_a The Adjudicator may make a discretionary award for inconvenience, up to a

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