



Consumer Code for
NEW HOMES



ANNUAL REPORT 2021

Consumer Code for New Homes - www.consumercodefornewhomes.com

Foreword

Welcome to the third annual report for Consumer Code for New Homes.

At Consumer Code for New Homes, we remain committed to our primary objective of improving standards in the new homes sector from construction to customer service. The Code provides an end-to-end consumer protection regime from reservation stage through the sales and handover stage, up to two years post completion of sale, providing much needed peace of mind for buyers of new homes. We are also well placed to provide support and guidance for Developers of new homes through the process of compliance with the Code.

This report contains data for our activities in 2021 including enquiries, complaints and growth of the Code membership. In 2021, 307 more UK Developers joined Consumer Code for New Homes. This is an increase of 20% of total members from 2020 figures. At the end of 2021 we had 1,830 members, which represents 63% growth overall from the same position in 2019.

In this calendar year, Consumer Code for New Homes received over 1,500 requests for advice and support from consumers and developers in 2021. Overall, we saw a 78% increase in enquiries and complaints in 2021 from 2020.

We pride ourselves for being accessible and responsive and aim to provide a prompt, detailed advice service - in our experience, it is not unusual for an advice call to take 45 minutes or longer, and we aim to make sure we support our callers as much as possible. When issues occur in a new home, it can be stressful for homeowners, so we aim to support homeowners sufficiently to help resolve matters - as an organisation, we genuinely care that homeowners receive excellent service and we pride ourselves on a team which wants to help make a difference.

Since most of our members are small to medium sized developers, we also provide a comprehensive Code training, advice and support service. We find that when a developer has asked us for advice and guidance, they do tend to contact us more frequently subsequently because they know they will receive a good level of support from us, to help them to comply with the Code and provide a high level of customer service to their customers - bit by bit, we believe this helps to raise standards for consumers in the new homes sector.

This year too, we have seen an increase in complaints and alternative dispute resolution (ADR) cases which are complex. As a team we work tirelessly to ensure ADR awards are honoured by our members and that the ADR process is satisfactorily closed out for consumers. This may require time and resource, but as an organisation, we have a strong desire to ensure the fairest outcome for consumers through the ADR process.

We proudly remain a Chartered Trading Standards Institute Approved Code, being confident that the external accreditation of a tried and tested consumer code approval scheme framework gives us the external challenge and scrutiny needed to maintain our high standards, and further develop the Code to continually address changes in buying and selling behaviours when it comes to new homes. This ensures Consumer Code for New Homes remains firmly at the forefront of providing a highly effect Consumer Code for buyers of new homes and we are constantly reviewing the Code and processes, to find ways to improve. It is fair to say we never stand still, and the Code is ever evolving and developing.

I hope you find the report interesting.



Sarah Langley
Managing Director

About Us

Following a government review and findings relating to service quality in the house-building industry, it was apparent improvements were required to improve customer services and protection for customers, and so the development of a code of conduct for new house sales was recommended.

Consumer Code for New Homes has been established to be of maximum benefit to consumers and its ultimate aim is to provide a genuine commitment to consumers, to improving standards of construction and raise customer service standards in the New Homes market.

Consumer Code for New Homes Ltd was founded in 2016 and received Chartered Trading Standards Institute code approval in 2017.

Consumer Code for New Homes is supported by six Warranty Bodies whose site surveying activities help to improve quality of construction in housebuilding:



Code of Practice

The Consumer Code for New Homes, approved by the Chartered Trading Standards Institute, has been established to ensure that best practice is followed, and higher standards set, in respect of the marketing and selling of new homes and to set expected standards for after sales customer care service.

The ultimate aim of Consumer Code for New Homes is to provide a genuine commitment to consumers, to improving standards of construction and customer service in the new homes market. Consumer Code for New Homes wants to ensure buyers of new homes are treated fairly by developers.

Consumer Code for New Homes establishes mandatory requirements that apply to all developers registered with the Code when they sell their new homes to consumers. The Code applies from the marketing stage through to two-year post completion of sale. The Code also benefits second and subsequent buyers of the new home but only in respect of after sales matters reported within two years of the date of the completion of the new home purchase.

Nothing contained within the Code affects a buyer's existing legal rights and does not replace any existing legislation regarding the sale and marketing of new homes to consumers.

Code Membership

Developers who work with the one of the Warranty Bodies which support the Code, sign an agreement directly with Consumer Code for New Homes and agree to be bound by the terms of the Code of Practice. This agreement must be signed annually.

A Developers' obligations under the Code start when the new homes are marketed for sale, and last until two years post completion of sale for each home.

Code membership continues to grow, with 307 new members joining Consumer Code for New Homes in 2021, making a total of 1830 Code members, a growth of 20% from 2020.

To help Developers comply with the Code, we have produced comprehensive guidance on the Code, along with providing standard templates and procedures covering the requirements of the Code. All this information is available in the Members' Area of our Code portal. We also provide telephone advice to Developers who ask for guidance and support with their customer service processes and compliance with the Code.

We provide online training for all staff involved in consumer facing marketing and after sales roles, regardless of whether employed by the Developer or an Agent. This has proved to be very popular with Developers and Agents since it is a free of charge and accessible training option.

Code compliance audits are completed throughout the year. Audits are a mix of routine periodic audits, plus targeted audits focusing on areas of consumer complaints.



Consumer Advice





A key part of the Consumer Code for New Homes is providing advice and guidance to consumers. We provide pre-purchase advice relating to Developers who are members of our Code, and support for Buyers who have purchased a new home registered with the Code who are looking for advice and guidance on resolving issues with a Developer.

We pride ourselves on being accessible and offering prompt support to Buyers. We are contactable via email or telephone during working hours.

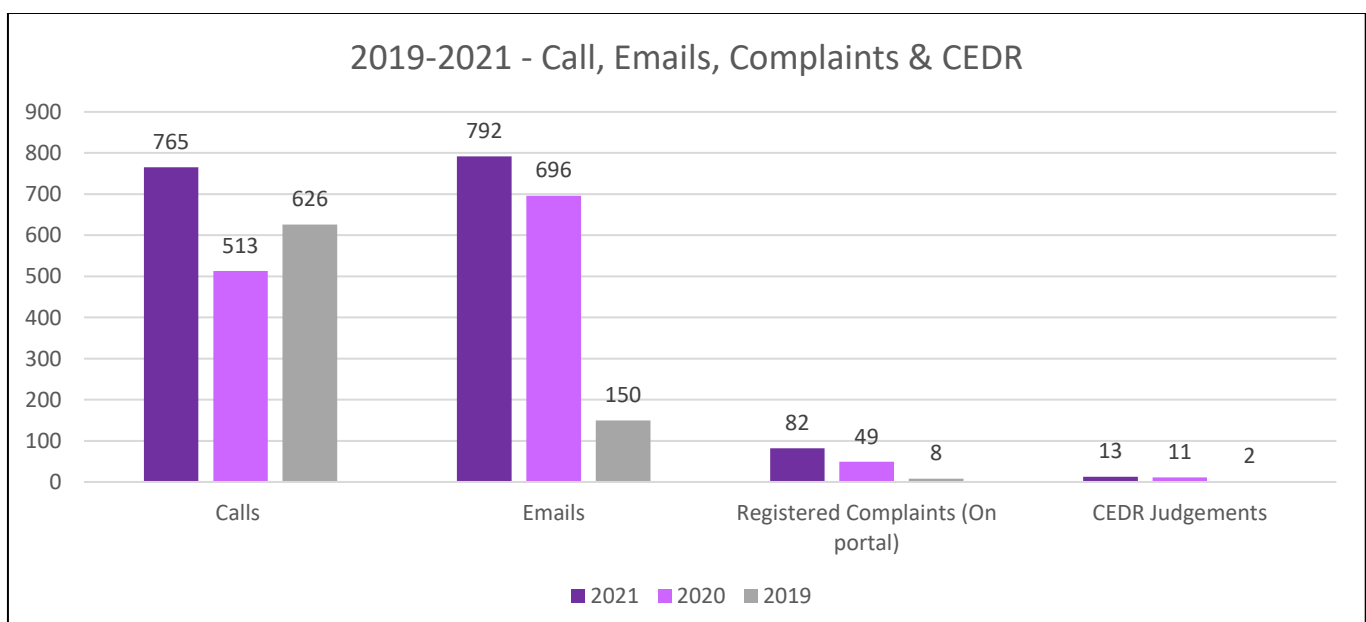
We do monitor complaint types for trends and feed this back to the Consumer Code for New Homes Board of Directors. We also provide guidance to Developers if there are emerging trends in complaints - for example, an emerging trend we witnessed involved complaints from buyers relating to upgrades and additional items, such as kitchen and bathroom fittings or flooring. We also started to receive an increased number of enquiries from developers asking for advice about how to approach requests for upgrades or additional items. As a result, the Code developed formal guidance for Bespoke Items for developers and had this signed off by Kent Trading Standards, with whom we have a Primary Authority Partnership arrangement. This guidance is available to our members via our online portal.

Consumer Code for New Homes will also consider changing the wording of the Code, to address any significant changes in selling or buying behaviour. A full review of the Code wording is planned for 2022.

Typical enquiries and complaints relate to:

-  Cancelling the reservation agreement
-  Completion timescales
-  Snagging and defects not covered by the structural warranty in years one and two, post completion of sale
-  Requests for general advice on how to effectively make a complaint

Consumer Code for New Homes received over 1500 requests for advice and support from consumers and developers in 2021. There was a slight drop in calls in 2020 compared to 2019, however, email enquiries increased considerably. Overall, there was a 78% increase in enquiries and complaints between 2021 and 2020.



Dispute Resolution Scheme

One of the fundamental aspects of the Consumer Code for New Homes is the provision of access to a free and effective dispute resolution scheme in the event that a dispute arises between a Buyer and a registered Developer that cannot be resolved informally. This can help to avoid costly and protracted legal action.

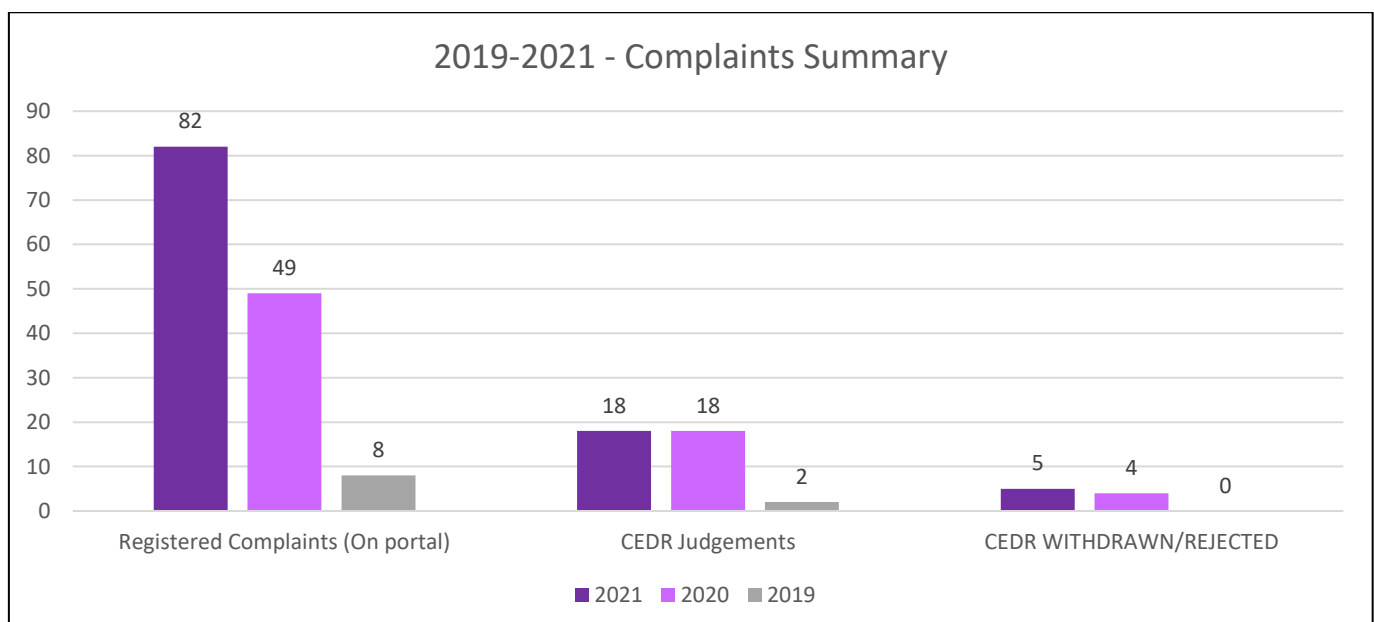
The Consumer Code for New Homes Dispute Resolution Scheme is operated by the Centre for Effective Dispute Resolution (CEDR). The scheme is independent of the Developer and the Warranty Bodies, and any matter referred to this scheme concerns disputes under the Consumer Code for New Homes only. The adjudication will be independent and conducted by a trained independent Adjudicator.

We support both Developers and Buyers through the formal complaints process by answering procedure related queries and providing advice on what evidence is needed to support either their formal complaint or their defence. After the final adjudication decision report has been issued, we follow up on any awards made as part of the adjudication and ensure they are honoured.

The team here at CCNH spends considerable time supporting Buyers and overseeing Developers at the adjudication award stage to ensure all awards are honoured fairly - we feel strongly that we should provide a good level of customer support until the formal complaint process is concluded. Routinely, we carry out a complete audit of the Developer if any Code non-compliance issues are highlighted by the Adjudicator. We also provide procedural advice and guidance to Developers to help them to strengthen and improve their customer services processes and procedures if it is necessary.

The number of registered complaints received in 2021 was 82, this increased significantly from the 49 received in 2020 and 8 received in 2019, an overall increase of 69% since 2019.









18 ADR cases were submitted in 2021, 12 of these had final decisions issued. 5 formal complaints were withdrawn by consumers, and one case was carried over into 2022. 6 ADR cases raised in 2020 had a final decision issued in 2021.



Key Points of CEDR Judgements - 2021

In total, 18 judgements were concluded in 2021 (12 from 2021 cases and six from 2020 cases).

To summarise, the key points were:

-  Five judgements found at least some of the areas of the complaint in the consumer's favour.
-  Eight judgements found in the Developer's favour.
-  Four formal complaints were withdrawn by the Buyer and did not proceed.
-  Three formal complaints were objected to by the Developer and upheld by CEDR.
-  Six of the judgements related to snagging and defects.
-  Main areas of complaint were issues with bathrooms, flooring and poor quality finishes in other areas.
-  The total amount awarded to consumers was £15,935.81.
-  The total number of issues that Developers were directed to rectify was 13.

During 2021, and responding to customer feedback and questions we have received, we found it necessary to review the ADR Scheme wording and have amended it to make it clearer to Buyers and Developers what the process is and which rules apply to the scheme.

Case Studies - CCNH ADR Cases 2021

Case Study A

A Buyer complained that the Developer has failed to complete snagging works in their New Home over a two-year period. The Buyer complained that they had to ask who to speak to get things done and the Developer did not supply its complaints procedure when asked. The Developer also failed to keep a number of appointments.

The Buyer asked for an apology, remedial work to be undertaken and compensation of £4,820.

The Developer responded that they believed they had undertaken much work in goodwill, including in relation to matters that were raised after the snagging period had come to an end. The Developer denied liability for the specific items raised by the Buyer.

Adjudication Findings

The Developer failed to respond to emails, did not provide clear information about what work it was willing to undertake or when this would be done and did not keep at least one appointment. It also failed to provide its complaint procedure when asked several times. The Developer has breached the Code.

Outcome and Buyer Award:

The Developer must:

1. Apologise to the Buyer for the breaches of the Code.
2. Take such steps as are necessary to achieve a clean and undamaged outcome in relation to the glass and frames of the Buyer's patio doors.
3. Take all necessary steps to replace the two broken window locks in the New Home.
4. Check and adjust the patio doors to achieve optimum functionality.
5. Pay compensation to the Buyer of £300.00.

Case Study B

A Buyer stated that the Developer had not addressed all the snagging claims they had raised.

The Developer acknowledged that some work remained to be done.

Adjudication Findings

The Developer breached its obligations under the Code.

Outcome and Buyer Award

The Developer must take the following further actions:

1. Attend the Property to examine the holes and mortar identified and repair as required.
2. Refit the tiles in the kitchen once the issue with damp affecting the tiled area has been resolved.
3. Attend the Property to examine the aerial point, replacing or repairing it as required.
4. Attend the Property to examine the bathroom floor, repairing it as required.
5. Attend the Property to examine the seal between the bath panel and the floor, repairing or replacing it as required.
6. Attend the Property to examine the tiling in the bathroom.
7. Attend the Property to inspect the damp and identify its cause, taking remedial action where required.
8. Repair the banister.
9. Pay the Buyer compensation of £82.50.

Disciplinary & Sanctions Panel

Consumer Code for New Homes takes Code compliance seriously.

The Disciplinary and Sanctions Panel act as a decision making panel in relation to disciplinary hearings for Developers which have signed up as members of the Consumer Code for New Homes. Panel members are independent of the housebuilding industry and Warranty insurance industry.

Where a Developer is found to be in serious breach of the Code, Consumer Code for New Homes can apply a range of sanctions, including financial penalties and removal from the Code's register of members. This will also result in removal from the registers maintained by the Warranty Bodies which support the Code. These sanctions shall be extended to exclude the registration of statutory Directors of any Developer which is sanctioned under the Code.

Any Developer removed from the registered members list of the Warranty Bodies will not be permitted to re-join the lists for a minimum period of three years and must be able to demonstrate that they have taken all the necessary improvement steps to comply with the Code in the intervening period.

Consumer Code for New Homes works closely with Developers to ensure they provide a high level of customer service, comply with the Code and honour any ADR awards made against them. Early intervention and action by CCNH ensured there were no serious breaches of the Code in 2021, and therefore no disciplinary hearings.






The list of banned companies and Directors is displayed on our website at:

www.consumercodefornewhomes.com/exclusions-list

Key Priorities for 2022

As an Approved Code, Consumer Code for New Homes continues to evolve, developing new ways in which we can protect consumers and ensure our Developer members have the support and guidance they need to comply with the Code.

Our priority areas for development in 2022 include:

-  Grow the membership base and support provided to members of the Code.
-  Launch our new website - this was delayed due to the pandemic.
-  Develop our developer guidance documents and templates further based on feedback and business needs.
-  Continue to support consumers, with particular support for vulnerable consumers.
-  A full Code wording review to make any changes deemed necessary based on changes to buying and selling behaviours.

How can I find out more?

You can find out a lot more about the Consumer Code for New Homes on our website:
www.consumercodefornewhomes.com

If you would prefer to contact us, you can use one of the following methods:

Call: 0333 900 1966

Email: admin@ccnh.co.uk

Write: 11 Milbanke Court, Milbanke Way, Bracknell, Berkshire, RG12 1RP

