



ANNUAL REPORT 2020

Consumer Code for New Homes - www.consumercodefornewhomes.com

Foreword

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

2020 proved to be a challenging year for us all in ways none of us could predict. At Consumer Code for New Homes we pride ourselves on being accessible, responsive and flexible to our customers' needs. We worked hard to maintain 'business as usual' throughout a very difficult year, to ensure we could support businesses and consumers alike through these unprecedented times.

Code membership continues its year on year growth and I am glad to report that our monthly registrations are heading back up towards pre pandemic numbers. At the end of 2020 we had 1523 Code members, that's 363 more than in 2019.

This report contains data for our activities for 2020. There was an increase in complaints and enquiries of 55% compared to 2019. There was also an increase in formal complaints submitted to our Dispute Resolution Scheme compared to 2019, although the ratio of formal complaints that progressed to the Dispute Resolution Scheme stayed roughly the same at around 22%.

Due to the pandemic there was sudden increase in enquiries relating to the cancellation of sales, and refunds, as people pulled out of sales due to Covid-19 related changes in their financial positions. We also saw an increase in complaints relating to snagging and defects, as people spent more time at home. As we moved towards the end of 2020, things settled back down into a more usual pattern of consumer enquiries and requests from Developers for support with Code compliance.

Despite the pandemic, house building has bounced back, and the housing market appears buoyant, helped by the stamp duty holiday. As ever, Consumer Code for New Homes remains committed to raising standards and ensuring consumers receive a high level of customer service throughout the house buying process and beyond.

I hope you find this year's report an interesting read.

A handwritten signature in black ink that reads "Sarah Langley". The signature is written in a cursive, flowing style.

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 house-building:



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.

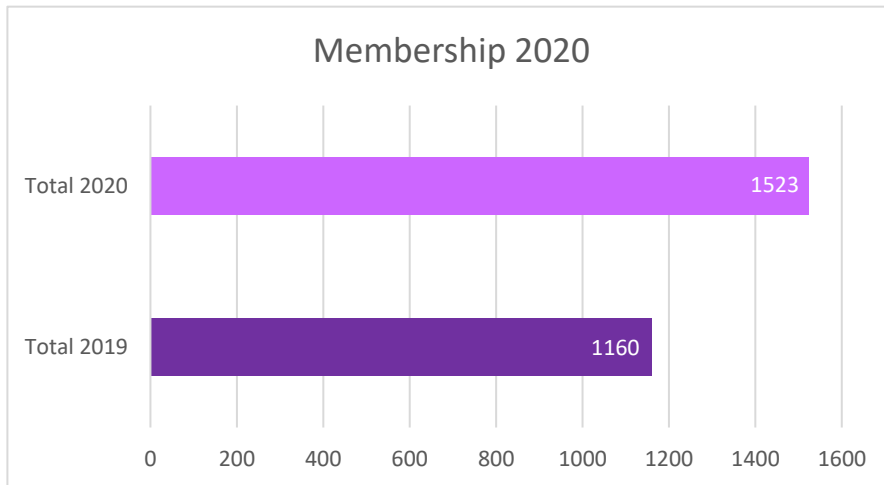
Code Membership

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 363 new Members joining Consumer Code for New Homes in 2020, making a total of 1523 Code members in 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 very popular with Developers and Agents as a no cost 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.



Social Media hits 200



Website hits 70,000





Consumer Advice

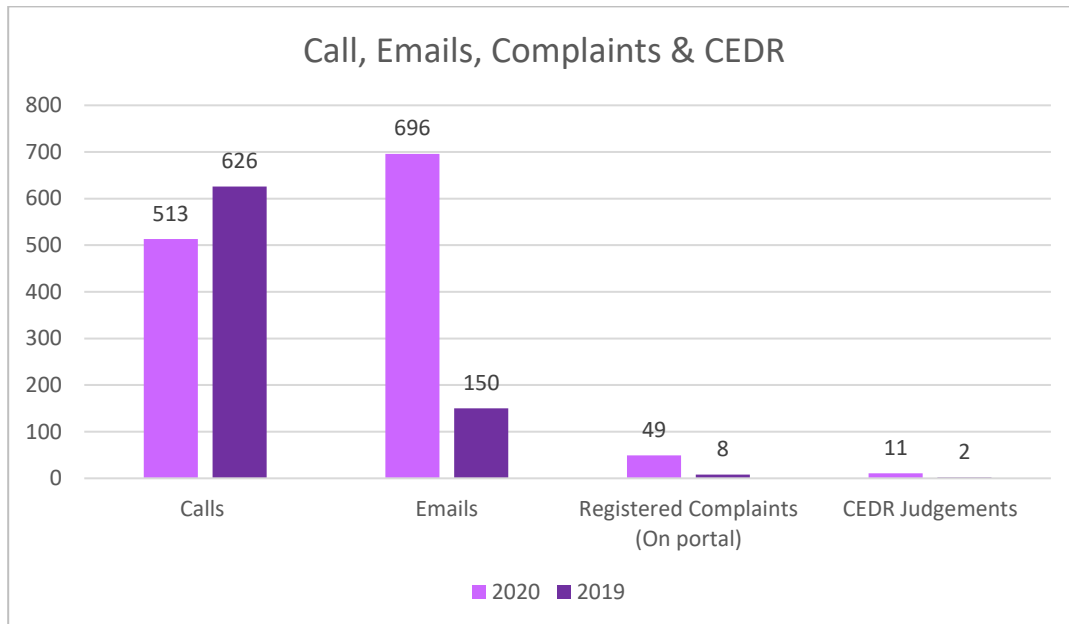
A key part of the Consumer Code for New Homes is providing advice and guidance to consumers. We provide pre-purchase advice relating to Developers who are members of our Code, and support for Buyers who have purchased a new home registered with the Code who are looking for advice and guidance on resolving 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 complaints types for trends and feed this back to the Consumer Code for New Homes Board of Directors. We would provide guidance to Developers if there were emerging trends in complaints and if necessary, consider changing the wording of the Code, to address any significant changes in selling or buying behaviour. To date, this has not been necessary.

Typical enquiries and complaints relate to:

-  Cancelling the reservation agreement
-  Completion timescales
-  Snagging and defects not covered by the structural warranty
-  Requests for general advice on how to effectively make a complaint



Consumer Code for New Homes received over 1200 requests for advice and support from consumers and developers in 2020. There was a slight drop in calls in 2020 compared to 2019, however, email enquiries increased considerably. Overall, there was a 55% increase in 2020 from 2019.

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. On 1st January 2020 Consumer Code for New Homes made the dispute resolution scheme free for consumers.

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 providing answering any procedural questions and providing advice on what evidence they need to submit 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. We also complete an audit of the Developer if any Code non-compliance issues are highlighted by the Adjudicator.

The number of registered complaints received in 2020 was 49, this increased significantly from the 8 received in 2019. There were 11 CEDR judgements in 2020 up from 2 in 2019. These increases are not unexpected. As the Code matures, and new homes registered with the Code are sold and new buyers move in, the number of complaints will inevitably go up. The percentage of registered complaints that progressed to the formal alternative dispute resolution stage was 25% in 2019, this reduced slightly to 22% in 2020.

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.






There were no disciplinary hearings in 2020.

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

www.consumercodefornewhomes.com/exclusions-list

Priorities for 2021

As a Code we are continuing to evolve and develop new ways in which we can support both Developers and consumers. Our priority areas for development in 2021 include:

-  Grow membership and support members of the Code
-  Launch new website- this was delayed from 2019 due to the pandemic
-  Develop the Code supporting guidance documents and templates further based on feedback and business needs
-  Continue to support consumers
-  Engage with and support the New Homes Quality Board work to establish a New Homes Ombudsman and a single Consumer Code

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

