



Consumer Code for
NEW HOMES



Consumer Code for New Homes

Annual Report 2023



A reassuring presence for new home buyers

Foreword



Welcome to the 2023 Annual Report for the Consumer Code for New Homes.

2023 proved to be another challenging year with the cost-of-living crisis still being felt by consumers and developers alike. As a result, we have seen an increase in complaints relating to sales that have fallen through and an increased number of formal complaints raised through our Independent Dispute Resolution Scheme compared with previous years, including an emerging trend of buyers submitting lower value formal complaints.

When Consumer Code for New Homes commenced operating, it was primarily with mainly small to medium sized developers as members. As the Code has developed and expanded over the past seven years, we are now the Code of choice for many larger housing developers and builders. Our membership has increased to over 2,500 developers.

The Code also welcomed Build-Zone Insurance as our ninth Code User this year, increasing the reach and coverage for Consumer Code for New Homes further.

Throughout the latter part of 2023, we spent a substantial amount of time working on our Code review, redrafting the new Code wording and updating all our guidance and training for our Code members. As part of this review, we have also made some changes to the Independent Dispute Resolution Scheme to make it more accessible and easier to navigate.

During the year, we received over 3,000 requests for advice and support from consumers and developers, registered 127 formal complaints, supported 68 complaints through the IDRS process, and 32 of these had judgements found in the consumer's favour, awarding a total of £53,531.90 to consumers.

It is excellent to see the good work of the Consumer Code for New Homes continue, raising standards and increasing protection for home buyers in the new homes sector, at a time when consumers need it most.

I hope this year's report gives you a valuable insight into the work of Consumer Code for New Homes and look forward to updating you on the changes we have made to the Code in 2024 and the impact it has on consumers and developers throughout the UK.

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

Sarah Langley
Managing Director

Contents



Foreword	2
About Us	4
Code of Practice	5
Code Membership	6
Consumer Advice	7
Dispute Resolution Scheme	8
CCNH Case Studies 2023	10
Disciplinary & Sanctions Panel	15
Key Priorities for 2023 – Progress Update	16
Key Priorities for 2024	17

About Us



Following a government review 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 2015 and received Chartered Trading Standards Institute code approval in 2016.

The Code is supported by nine 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, is a mandatory Code for Members which has been established to ensure that best practice is followed by registered Developers in respect of the marketing and selling of New Homes to consumers, and also sets expected standards for after-sales customer care service.

It 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, recognising that part of that commitment is providing consumers with a voice and a clear complaints process when things simply don't go according to plan when they buy a new home.

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.

The Code is underpinned by an Independent Dispute Resolution Scheme operated through [CEDR Limited](#). CEDR is approved by the Chartered Trading Standards Institute as the 'competent authority' acting on behalf of the Secretary of State for dealing with Disputes that are raised with the Developer from the Reservation date until two years after the date of Legal Completion. Buyers who think they have a Dispute because a Developer has failed to meet the Requirements may choose to refer it to the Independent Dispute Resolution Scheme.

We proudly remain a [Chartered Trading Standards Institute](#) Approved Code, 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.*

Code Membership



Developers who work with the one of the nine Warranty Bodies who 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.

184 developers joined the Code in 2023, bringing our membership to a total of 2,537 Code Members.

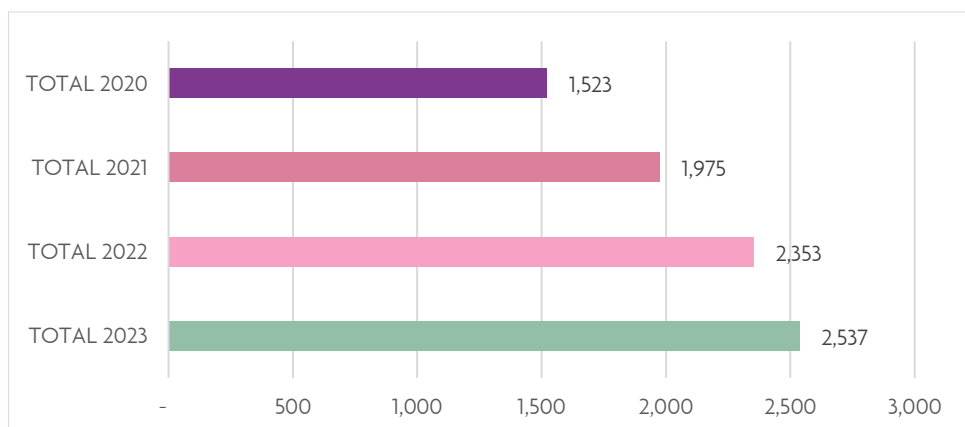
The number of new members registering in 2023 was substantially lower at around 50%, compared with 2022. With mortgage rates remaining high and the cost of raw materials rising, the cost-of-living crisis has made developers cautious, especially SMEs who form a large part of our membership basis, and many are waiting for a drop in interest rates and some market stability before they commence new projects. We anticipate that there will be an increase in Code membership registrations during 2024 as the house-building market recovers.

To help developers comply with the Code, we have produced comprehensive guidance, along with providing standard templates and procedures covering the requirements of the Code. All of this information is available in the Code Members' Portal, accessible via our website. We also provide telephone advice to developers who ask for guidance and support with their customer service processes and compliance with the Code – we find this is an increasingly important aspect of the running of the Code, particularly for our SME members who don't have the resources to dedicate a member of staff to understanding, interpreting and complying with the Code.

The Code also provides online training for developer's staff who are involved in consumer facing marketing and after sales roles, regardless of whether the member of staff is employed by the developer or an agent. This has proved to be very popular with developers and agents since it is free of charge and is an accessible training option.

Code compliance audits of the membership base are carried out throughout the year. Audits are a mix of routine periodic audits, plus targeted audits focusing on specific areas of consumer complaints.

Membership Stats



Consumer Advice







A key part of the Consumer Code for New Homes is providing advice and guidance to consumers, supporting buyers who have purchased a new home built by a developer who is registered with the Code, when they are looking for advice and guidance on resolving issues they may have with their developer.

Part of the CCNH ethos is to provide an accessible and timely support service to buyers and as such, we are contactable via email or telephone during normal working hours.

We monitor complaint types for trends and to identify if there any new emerging issues that need to be addressed. We also provide guidance to developers if there are emerging trends in complaints via mailshots and targeted advice.

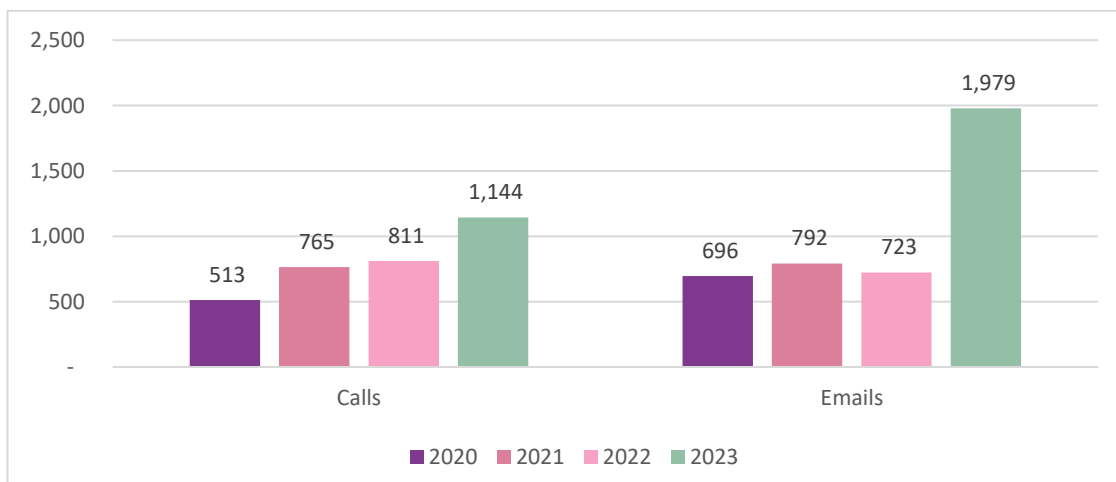
Typical consumer enquiries and complaints relate to:

-  Cancelling the new home purchase
-  Completion timescales
-  Snagging and defects (which are not covered by the structural warranty), post completion of sale
-  Requests for general advice on how to make a complaint.

In 2023, Consumer Code for New Homes received over 3,000 requests for advice and support from consumers and developers, which is double the figure we recorded in 2022.

The increase in requests for assistance, in part relates to new registrations of developers and their new homes, but we also believe it is partly attributed to the cost-of-living crisis and the knock-on effect of Covid. Better awareness of the Code and consumer rights by both consumers and developers has also contributed to the increase demand for our support.

Enquiry Volume Stats



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 which cannot be resolved informally. This can help to avoid costly and protracted legal action for consumers.

The Consumer Code for New Homes Independent Dispute Resolution Scheme is operated by the [Centre for Effective Dispute Resolution](#) (CEDR), an experienced alternative dispute resolution (ADR) provider in the New Homes sector.

Our scheme is independent of the developer and the warranty bodies, and any matter referred to the scheme concerns disputes under the Consumer Code for New Homes only. The adjudication is independent and conducted by a trained independent Adjudicator.

As a Code, 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 by the developer.

We firmly believe that it is important to support developers as well as consumers, through the ADR process, not simply because many of our developer members are SMEs, but also because it promotes better awareness and understanding of the Code at grassroots level, and goes a long way towards improving outcomes for consumers, not just on a specific ADR case, but in future for every additional new home that developer builds and sells.

The Code team spends a reasonably considerable amount of time following the adjudication award to ensure that all awards are fairly honoured. Routinely, we carry out a full audit of the developer if any Code non-compliance issues are highlighted by the Adjudicator and 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 by the Code in 2023 was 127, a 75% increase on 2022.










The number of formal complaints that were submitted to the alternative dispute resolution scheme rose to 68, compared to 43 in 2022, a 50% increase.

11 ADR cases raised in 2023 had a final decision issued in 2023. 73 of the live cases in 2023 had final decisions issued or were concluded in other ways in 2023 and six cases were carried over into 2024.

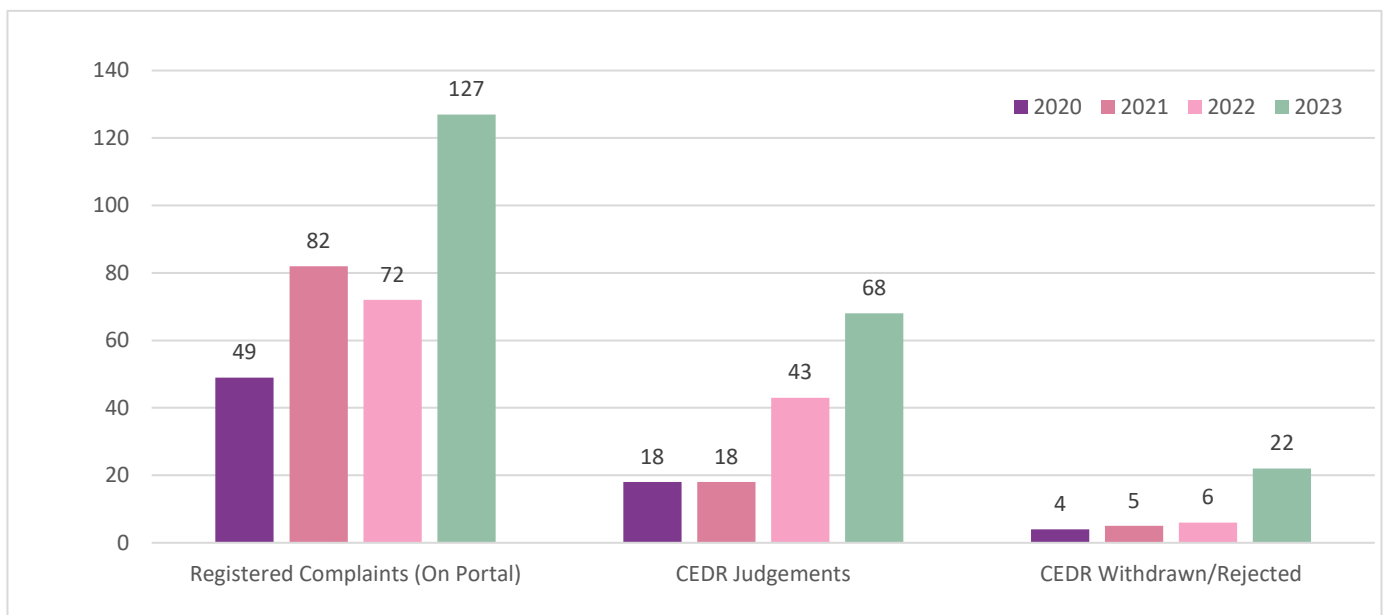
Dispute Resolution Scheme - CEDR Judgement Summary

The number of cases concluded in 2023 increased significantly. In total, 73 judgements were concluded in 2023, 1.7 times the number of cases concluded in 2022.

To summarise, the key points were:

-  32 judgements found at least some of the areas of the complaint in the consumer’s favour.
-  15 judgements found in the developer’s favour.
-  22 formal complaints were withdrawn by the buyer and did not proceed.
-  4 formal complaints reached an early settlement between the buyer and the developer and did not proceed to the adjudication stage.
-  0 formal complaints were deemed not in scope of the Code and rejected.
-  18 of the judgements related to snagging and defects.
-  The main areas of complaint were issues with flooring, internal doors, bi-fold doors and poor-quality finishes in different parts of the new homes.
-  The total number of issues that developers were directed to rectify was 222.
-  The total amount awarded to buyers was £53,531.90.

Dispute Resolution Scheme - Stats



Case Study A

The buyer complained that there were a number of outstanding snagging issues at the new home.

The complaint cited that the developer did not make the buyer aware of the Code or the customer care standards required under the Code, and there was no mention of the Code on the developer's website or on any paperwork which they provided to the buyer. Additionally, the developer did not provide the buyer with a Reservation Agreement, an explanation of the structural warranty cover, nor a description of the management services for the property. The developer did not provide a specification for the property or confirm the standards to which the property was being built or names and contact details for those to contact if the buyer needed to raise a complaint. Finally, the developer had not rectified a number of issues in the new home, including an inadequate air source heat pump and a defective chimney.

The total number of issues that developer was asked to rectify was 222.

Adjudication Findings

The evidence showed that the developer was in breach of the Code because they had not shown that they would provide the buyer with a comprehensive after-sales service in relation to the snagging issues that the buyer reported to the developer. The developer had also failed to resolve the buyer's complaint about snagging issues within a reasonable period of time.

Outcome and Buyer Award

The adjudication found that the developer must:

1. Pay the buyer £8,348.40 (including VAT) in respect of the outstanding snagging issues at the property.
2. Pay the buyer £9,035.20 (including VAT) in respect of the investigation and remedial works for the heat pump, and the works to make good on completion of the remedial works.
3. Pay the buyer £1,266.00 in respect of Sonos speakers, smoke alarms and replacement blinds that the Buyer purchased for the property.
4. Pay the buyer £1,000.00 in compensation for inconvenience.

TOTAL AWARD TO CONSUMER: £19,649.60

Case Study B

The buyer notified the developer of a leak at their new home that was causing damp to the property. The new home although privately owned, was being rented to a tenant. The buyer was unable to rent the new home while the leak was being investigated, and they incurred a loss of rental income during the closure.

The buyer engaged a contractor who was prepared to carry out the remedial works as a matter of urgency and the developer's management company constantly and explicitly reassured the buyer that the costs of works undertaken at the new home would be reimbursed.

Subsequently however, the developer has refused to reimburse the full costs. The cost of the works came to £5,400, but the developer had offered only £500 towards the cost of the works.

Adjudication Findings

The evidence showed that the developer had breached Section 7.1 of the Code, because the evidence does not show that it fully investigated the issues raised in the buyer's complaint and the evidence the buyer provided in respect of their complaint.

Outcome and Buyer Award

The adjudication found that the developer must:

1. Reimburse the buyer the sum of £3,612.00.

TOTAL AWARD TO CONSUMER: £3,612.00

Case Study C

The buyer complained that the developer had not rectified outstanding snagging items at the new home and had also not reimbursed costs that the buyer had incurred to rectify certain snagging items already. The buyer also complained that there were incomplete works on the wider development site.

The claim made by the buyer was for the developer to either complete the outstanding works at the new home or pay the buyer compensation in respect of the outstanding works; and additionally, to reimburse the buyer for the costs that they had already incurred in rectifying some of the snags at the new home.

Adjudication Findings

The adjudicator found in favour of the consumer in part. The developer breached Section 7.1 of the Code, as well as Section 6.1 of the Code, because the evidence did not show that the developer provided the buyer with a detailed handover regarding incomplete works on the site.

Outcome and Buyer Award

The adjudication found that the developer must:

1. Make reasonable endeavours to rectify the outstanding snagging issues at the new home;
2. Pay the buyer £211.40 in reimbursement of costs that they had incurred rectifying snags; and
3. Make reasonable endeavours to issue the buyer with its written proposals regarding any work it seeks to carry out in relation to reported missing road signs and incomplete roads and footpaths on the site.

TOTAL AWARD TO CONSUMER: £211.40 + remedial works cost for remaining snagging issues

Case Study D

The buyer complained that on taking possession of their new home, damage to the front door and rear patio doors was discovered.

The developer agreed to rectify the problem with the front door but their tradesmen considered that this would not be possible, even in their paint shops. The developer agreed most recently that it would consider replacing the doors but then the buyer heard nothing further.

In respect of the rear patio doors, these initially had scratches and the developer arranged for repairs. These were still visible and so the contractor attended again and produced a good finish. In August 2022, however, the area of the repairs began to display a “bright yellow” colour, which the buyer suggested demonstrated that the repairs were not effective.

Adjudication Findings

In consideration of the facts of the complaint, the adjudicator found that the developer has not considered all of the buyer’s complaints about the front door, there being evidence of cosmetic defects which should have been rectified, and had breached of Section 7.1 of the Code. As the door was not capable of repair, the door needs to be replaced. The adjudicator found that the complaint for the rear patio doors was not upheld, since the repairs had previously been accepted, and the discolouration suggested would by the buyer would be a new complaint, made after the end of the two-year complaint period permitted by the Code, precluded by rule 2.2.3 of the Scheme rules.

Outcome and Buyer Award

The adjudication found that the developer must:

1. Pay the buyer the sum of £3,178.44.

TOTAL AWARD TO CONSUMER: £3,178.44

Case Study E

The buyer's complaint is that the developer breached the Sections 3.1, 3.2 and 3.5 of the Code, because they did not inform the buyer of the existence of the Consumer Code. There was no information about the Code in the premises of either the developer or its estate agents or in any of the marketing literature, and information about the Code was not included in the Reservation Agreement which the buyer signed.

The buyer also complained that the developer breached Section 4.5 of the Code, because the Reservation Agreement was non-compliant.

The developer maintains that the agreement the buyer signed is an exclusivity agreement and not a Reservation Agreement, in which case they would not have given the buyer a Reservation Agreement as required by Section 4.5 of the Code.

The developer promised to refund the Reservation Fee to the buyer but has not done so. The buyer asked for an apology from the developer, a refund of the £10,000.00 Reservation Fee, a refund of solicitors' fees that the buyer incurred and for the developer to be referred to the Code's Disciplinary and Sanctions Panel.

Adjudication Findings

The adjudication found in favour of the consumer, in part. It found that the developer had breached Sections 3.1, 3.2 and 3.5 of the Code because the evidence does not show that it displayed the Code or informed the buyer about the Code. It also breached Section 4.5 of the Code, because the Reservation Agreement did not include information required under this section of the Code. The developer cannot rely on Clause 5 of the non-compliant agreement as the basis for retaining the Reservation Fee and the buyer is entitled to a refund of the fee.

Outcome and Buyer Award

The adjudication found that the developer must:

1. Issue the buyer with a written apology for the distress and inconvenience that the situation caused;
2. Issue the buyer a refund of the Reservation Fee of £10,000.00; and
3. Pay the buyer £500 in compensation for distress and inconvenience.

TOTAL AWARD TO CONSUMER: £10,500.00

Disciplinary & Sanctions Panel



As a Chartered Trading Standards Institute Approved Code, Consumer Code for New Homes takes Code compliance seriously. The Code has a clear disciplinary process and has a range of sanctions that can be applied if a member of the Code fails to comply with the Code. The Disciplinary and Sanctions Panel consists of three independent Panel members.

Where a developer is found to be in serious breach of the Code, we 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 (or named statutory director) removed from the Code (and the registered members list of the warranty bodies) will not be permitted to re-join for a minimum period as stipulated by the Disciplinary and Sanctions Panel. Before reapplying they must be able to demonstrate that they have taken all the necessary improvement steps to comply with the Code in the intervening period.

To prevent developers trying to rejoin the Code under a different company name, the directors, shareholders and persons of significant control associated with the developer company are also included in the Code Disciplinary and Sanctions Panel sanctions.

We routinely inform the Chartered Trading Standards Institute of our Code Disciplinary and Sanctions Panel decisions. We also make sure other Codes in the sector are made aware of exclusions to prevent 'Code-hopping' (where a banned developer tries to join another Code in the industry).

Consumer Code for New Homes works hard on the buyer's behalf to secure any IDRS award made to them, and most developers do comply with the requirements. However, occasionally, a developer fails to comply with the Code, and formal action is needed.

There were two Disciplinary and Sanctions Panel hearings in 2023, resulting in two developers being excluded from the Code for non-compliance with an alternative dispute resolution award made to a buyer.

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

[Excluded Developers | Consumer Code for New Homes](#)

Key Priorities for 2023 – Progress Update



Consumer Code for New Homes reviews emerging trends and continues to develop new ways in which we can protect consumers further and ensure our Code members have the support and guidance they need to comply with the Code.

Below is a progress update for our priority areas for development in 2023:

1. Provide additional support for consumers with enforcing their Code alternative dispute resolution awards.

Progress Update: We have made some changes and improvements to our processes so that we can now make earlier interventions to ensure any award made to a buyer is honoured by Code Members. We now provide a Court letter to buyers to provide along with an IDRS judgement which has not been honoured, to assist their Court action in securing specific performance of the award via the Courts.

2. Working collaboratively with other Codes to see how we can simplify the customer journey for consumers and make improvements to the Code.

Progress Update: A full Code review was completed by the end of 2023, and we worked with other Chartered Trading Standards Institute Approved Codes to produce a newly worded Code that provides higher levels of consumer protection for new home buyers. This new version of Code (Version 5) launched on 1 January 2024.

3. Complete a review to see if there are any gaps in consumer protection for shared ownership homeowners.

Progress Update: We completed a review of what protection is in place for shared ownership buyers compared to the protection Consumer Code for New Homes delivers for new homes buyers. We spoke to housing regulators, Ombudsmen and sector experts covering the UK devolved governments. There are some gaps, but this goes beyond new home ownership. We are glad to see that the Shared Ownership Council has been established to develop their own Code of Practice to protect Shared Owners.

4. Review the Alternative Dispute Resolution processes with CEDR.

Progress Update: Alongside the development of a new Code, we have worked with CEDR to review and improve the Independent Dispute Resolution Scheme processes for both consumers and developers based on customer feedback. The new IDRS rules launched on 1 January 2024 alongside the new Code wording.

Key Priorities for 2024



Our priority areas for 2024 are:

1. Roll out the new Code wording and provide new guidance and training to Code members.
2. Bring on-board new Code Member developers from Build-Zone Insurance, the ninth warranty body to support Consumer Code for New Homes as a Code User.
3. Review and make improvements to the Code system to further support Code Users and Code Members.
4. Review Code internal processes and identify areas where improvements and efficiencies can be made.
5. Work with the Ministry of Housing, Communities and Local Government (MHCLG), other government departments and the Chartered Trading Standards Institute to provide robust and detailed evidence of the positive impact of Approved Codes in the new homes sector.
6. We will also continue to champion new home buyers' rights in the new homes industry and new homes Code sector, and identify and promote where consumer protection can be improved further.



A reassuring presence for new home buyers



Code Supporters



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