

Consumer Code for Home Builders

Background

The Barker Review of 2004 and the October 2008 Office of Fair Trading (“OFT”) Market Study into the house building industry identified issues relating to customer service and satisfaction.

What is The CCHB?

The CCHB is the industry’s response to the findings of the Barker Review and the OFT Market Study.

It is a voluntary code of conduct for home builders the purpose of which is to address practices that are not fair or transparent and 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.

The CCHB sets out a series of requirements which the builder must meet. It includes a guidance document which recommends methods of good practice, procedure and information dissemination which the builder can adopt in order to satisfy the requirements. The builder can

adopt a different approach in order to satisfy a requirement. However, the builder must provide a similar level of information and achieve an outcome comparable to that which would be achieved if the builder had adopted the relevant recommendation from the guidance document.

What does the CCHB require?

In essence, the CCHB requires that certain practices are adopted and procedures are followed by the builder to deal with customer service and satisfaction. It requires that all documentation used is in plain English and complies with the Unfair Terms in Consumer Contracts Regulations 1999. It requires the builder to give customers clear and accurate information and it offers an adjudication process for the resolution of disputes. You can view the full CCHB requirements on their [website](#). *

How is the CCHB administered?

The CCHB is administered via the major new homes warranty providers: NHBC, Premier Guarantee and LABC New Homes (“the Warranty Providers”). The Warranty Providers have agreed that builders registered with them will adopt the CCHB as a condition of such registration.

Where a builder is found to be in serious breach of the CCHB, its Warranty Provider can apply a range of sanctions including revoking the builders registration and precluding the builder registering with any of the other Warranty Providers.

Therefore, although the CCHB is drafted as a voluntary code of conduct, the administration regime gives it real teeth.

Surveys will be carried out to assess how well the CCHB is working and to gauge consumer satisfaction. Random audits, mystery shopping and other training and research tools may be utilised to assess how well the CCHB is being applied.

When does the CCHB apply?

The CCHB applies to home buyers who, on or after 1st April 2010, reserve to buy a newly constructed or newly converted home built by a builder under the insurance protection of one of the supporting Warranty Providers.

The CCHB does not apply retrospectively.

The CCHB is only for complaints arising and made in writing to the builder within two years of the start date of the relevant warranty cover.

The CCHB does **not** apply to:

- second hand properties (eg. homes taken by a builder in part exchange and then sold on)
- properties acquired from a builder by a registered social landlord
- properties acquired by corporate bodies and partnership and others for investment purposes
- properties built by self builders for their own occupation
- properties build under architects' certificates

What action should home builders take in the light of the CCHB?

Home builders should:

- Familiarise themselves and their staff with the CCHB requirements – see www.consumercodeforhomebuilders.com
- Ensure that existing customer care practices and procedures comply with the requirements of the CCHB and, if not, amend these to ensure compliance.
- Display the CCHB in all sales offices.
- Ensure that all plot reservation and sale documentation is in plain English and complies with the Unfair Terms in Consumer Contracts Regulations 1999.

For more information please contact:



**Claire Waring,
Associate**

claire.waring@wrighthassall.co.uk

DDI +44 (0)1926 884641



**Russell Spencer,
Legal Executive**

russell.spencer@wrighthassall.co.uk

DDI +44 (0)1926 880746

W www.wrighthassall.co.uk

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