



# MOON TREE





# Build-Zone – Code of Conduct for Home Builders

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## 1. Introduction

The **Build-Zone Code of Conduct for Home Builders** [the “**Code**”] is applicable to all **New Homes** registered for a **Build-Zone New Home Warranty** on or after 1<sup>st</sup> June 2016.

The **Code** has been established in order to ensure that **Home Builders** comply with standards of best practice when providing services to **Home Buyers** before, during and after the construction and sale of a **New Home**.

The purpose of the **Code** is to ensure that **Home Buyers**:

- are treated in a fair and transparent manner when purchasing **New Homes** from **Home Builders**
- know what level of service to expect from the **Home Builder** and their **Agent**
- are given clear and honest information by the **Home Builder** regarding the **New Home**
- are able to contact the **Home Builder** in the event of any issues arising with the **New Home**
- are given details of how to access speedy, low cost **Dispute** resolution services.

All **Build-Zone** registered **Home Builders** must agree to comply with the **Code**, and to be subject to disciplinary and sanctions procedures if they are found to be in breach of the requirements of the **Code**.

In the event of a **Dispute** or **Complaint** by the **Home Buyer** regarding the **Home Builder’s** failure to comply with the **Code** requirements, a **Mediation** Process can be facilitated by **Build-Zone**. An independent **Alternative Dispute Resolution Service**, binding on both parties, is available if **Mediation** fails to resolve the **Home Buyer’s Complaint** or **Dispute**.

The **Code** is not intended to enforce the rights of a **Home Buyer** in matters relating to the **New Home Warranty**. If a complaint or claim relates to the **Warranty** cover, the **Home Buyer** should refer to the Claims of Complaints procedures in the **New Home Warranty** Policy Wording.

### Contacting the Code Sponsor

In the event of any query relating to the **Code**, the **Code Sponsor** can be contacted in the following ways:

#### By post:

The Code Sponsor  
Sennocke International Insurance Services Ltd  
6 Pembroke Road  
Sevenoaks  
Kent  
TN13 1XR

#### By phone:

01732 742102

#### By email:

[Info@sennocke.co.uk](mailto:Info@sennocke.co.uk)

## 2. Definitions

<b>Agent</b>	A person or company used by the <b>Home Builder</b> to deal with any matter relating to the <b>New Home</b> on their behalf.
<b>Alternative Dispute Resolution Service</b>	An adjudication service facilitated by an Independent Third Party subject to costs and award limits, where the decision is binding on both parties.
<b>Build-Zone</b>	See <b>Scheme Administrator</b> .
<b>Building Regulations</b>	The <b>Building Regulations</b> are statutory instruments in the United Kingdom that seek to ensure that the requirements set out in the relevant legislation are carried out. The <b>New Home</b> constructed by the <b>Home Builder</b> must obtain <b>Building Regulations</b> approval prior to the issue of a <b>Certificate of Insurance</b> confirming post- <b>Completion</b> cover for the <b>New Home Warranty</b> . For the purpose of this definition, <b>Building Regulations</b> is deemed to include Building Standards (Scotland).
<b>Certificate of Approval</b>	The certificate or statement of satisfaction issued by Build-Zone Survey Services Ltd to the <b>Scheme Administrator</b> on or following satisfactory <b>Completion</b> of each <b>New Home</b> .
<b>Certificate of Insurance</b>	The Certificate issued by the <b>Scheme Administrator</b> to the <b>Home Buyer</b> confirming <b>Warranty</b> cover for the <b>New Home</b> following issue of the <b>Certificate of Approval</b> .
<b>Code</b>	See <b>Code of Conduct</b> .
<b>Code of Conduct</b>	The <b>Code</b> herein described which establishes a number of requirements and expectations of the <b>Home Builder</b> to act in a fit and proper manner when constructing, marketing, selling and maintaining a <b>New Home</b> which is subject to a <b>Contract</b> between the <b>Home Builder</b> and <b>Home Buyer</b> .
<b>Code Sponsor</b>	See <b>Scheme Administrator</b> .
<b>Complaint</b>	Any expression of dissatisfaction, whether oral or written, and whether justified or not, from or on behalf of a <b>Home Buyer</b> about the <b>Home Builders</b> provision of, or failure to provide, a service which forms part of the <b>Contract</b> or the <b>Code</b> , which is notified to the <b>Home Builder</b> prior to the expiry of the <b>Defects Insurance Period</b> but which does not relate to the <b>Home Builders</b> obligations under the <b>New Home Warranty</b> .
<b>Completion</b>	The date the <b>New Home</b> is practically completed evidenced by the provision of a Building Control Completion Certificate or Final Certificate or Statement of Practical Completion issued to the <b>Home Builder</b> by an Approved Inspector or Local Authority Building Control Body.
<b>Contract</b>	The contractual agreement entered into between the <b>Home Builder</b> and the <b>Home Buyer</b> in respect of the sale/purchase of the <b>New Home</b> .

<b>Defect</b>	<p>A failure to comply with:-          The current <b>Building Regulations</b> in England and Wales;          The current Building Standards (Scotland) and the Technical Standards in Scotland;          The current <b>Building Regulations</b> (Northern Ireland) and the Technical Booklets in Northern Ireland          (where applicable) in respect to the construction of the New Home</p> <p>Failure to follow the standards within the <b>Building Regulations</b> and Building Standards or associated guidance does not in itself amount to a <b>Defect</b>, as it may be possible to meet the recommended performance in other ways.</p> <p>For any <b>New Home</b> which has been converted, refurbished or renovated the definition of <b>Defect</b> shall only be deemed to be applicable to the <b>Works</b> constructed or installed by the <b>Home Builder</b> as part of the conversion, refurbishment or renovation.</p>
<b>Defects Insurance Period</b>	<p>The <b>Defects Insurance Period</b> is the period commencing on the date specified on the <b>Certificate of Insurance</b>, usually the date of <b>Sale Completion</b> to a <b>Home Buyer</b>, ending 2 years thereafter, during which time the <b>Home Builder</b> is responsible for rectifying <b>Defects</b> notified by the <b>Home Buyer</b> under the terms of the <b>New Home Warranty</b> and responsible for further matters under the terms of the <b>Code</b>.</p>
<b>Deposit</b>	<p>A non-refundable deposit paid by the <b>Home Buyer</b> to the <b>Home Builder</b> at exchange of <b>Contracts</b> to demonstrate the <b>Home Buyer's</b> intention to buy and to reserve the <b>New Home</b>.</p>
<b>Dispute</b>	<p>A disagreement between the <b>Home Buyer</b> and <b>Home Builder</b> regarding the <b>Home Builders</b> provision of, or failure to provide, a service which forms part of their obligations under the <b>Code</b>, notified to the <b>Home Builder</b> prior to expiry of the <b>Defects Insurance Period</b>.</p>
<b>Home Builder</b>	<p>The person or persons, sole trader or entity, partnership or company who registers the <b>New Home(s)</b> with the <b>New Home Warranty</b> and from whom the <b>Home Buyer</b> acquires the <b>New Home</b>.</p>
<b>Home Buyer</b>	<p>The <b>Home Buyer</b> is the first beneficiary of the <b>Build-Zone New Home Warranty</b>. The first owner of the <b>New Home</b> which is the subject of such insurance acquiring a freehold or leasehold interest in the <b>New Home</b> whose interest is noted on the <b>Certificate of Insurance</b>.</p> <p>The <b>Home Buyer</b> and subsequent homeowners benefit from the services of the <b>Home Builder</b> under the terms of the <b>Code</b> for matters notified to the <b>Home Builder</b> prior to expiry of the <b>Defects Insurance Period</b>.</p>
<b>Initial Certificate</b>	<p>The Certificate issued by the <b>Scheme Administrator</b> signifying the pre-<b>Completion</b> insurance cover afforded to the <b>Home Buyer</b> and agreement to the provision of the insurance cover set out in the <b>New Home Warranty</b></p>



subject to receipt of a **Certificate of Approval** for the **New Home** following **Completion**.

<b>Insurer</b>	The Company or Lloyd’s Syndicates specified on the <b>Certificate of Insurance</b> relating to the <b>Warranty</b> for the <b>New Home</b> .
<b>Mediation</b>	A resolution process whereby an independent Chartered Building Surveyor or suitably qualified professional is appointed by the <b>Code Sponsor</b> in an attempt to resolve a <b>Dispute</b> between the <b>Home Buyer</b> and <b>Home Builder</b> relating to the provision of services under the terms of the <b>Code</b> .
<b>New Home</b>	The property described in the <b>Certificate of Insurance</b> as defined by the <b>New Home Warranty</b> .
<b>New Home Guide</b>	A document produced by the <b>Home Builder</b> providing general advice and guidance to the <b>Home Buyer</b> regarding the features, services, appliances etc of the <b>New Home</b> .
<b>New Home Warranty (“Warranty”)</b>	The insurance policy specifying the insurance cover provided by the <b>Insurers</b> .
<b>Professional Advisor</b>	A Third Party appointed by the <b>Home Buyer</b> to act for and on behalf of the <b>Home Buyer</b> in respect of the purchase of a <b>New Home</b> or in respect of a <b>Complaint</b> or <b>Dispute</b> brought against the <b>Home Builder</b> .
<b>Reservation Agreement</b>	A written statement of intent between the <b>Home Builder</b> and <b>Home Buyer</b> to buy and sell a <b>New Home</b> (subject to <b>Contract</b> , and whether or not a fee is paid).
<b>Sale Completion</b>	The date confirming the legal completion of the first purchase of the <b>New Home</b> by the <b>Home Buyer</b> . In respect of the purchase date of <b>New Homes</b> in Scotland, ‘legal completion’ refers to the Date of Entry.
<b>Scheme Administrator</b>	Sennocke International Insurance Services Limited trading as <b>Build-Zone</b> who administers the <b>Warranty</b> and <b>Code</b> from 6 Pembroke Road, Sevenoaks, Kent TN13 1XR, Company Registration Number 02489110.
<b>Snagging</b>	Elements of the <b>New Home</b> which are unfinished or faulty at the time of <b>Completion</b> which the <b>Home Builder</b> has agreed to complete.
<b>Specification</b>	The detailed description of the <b>New Home</b> , which should include details of the materials used, room sizes, finishes, fixtures and fittings.
<b>Technical Audit</b>	The process by which the <b>Technical Auditor</b> ensures that the <b>Home Builder</b> designs and constructs the <b>New Home</b> according to the appropriate Technical Standards.

<b>Technical Auditor</b>	The party appointed by <b>Build-Zone</b> and managed by Build-Zone Survey Services Limited, a wholly-owned subsidiary of the <b>Scheme Administrator</b> , to undertake the <b>Technical Audit</b> .
<b>Vulnerable Consumer</b>	A <b>Home Buyer</b> whose ability to make a sound decision is impacted for any number of reasons, including but not limited to vulnerability due to their age, infirmity, native language, a registered disability or a learning difficulty, due to high stress or illness and reasonable naivety relevant to comprehension and understanding of the <b>Contract</b> to purchase a <b>New Home</b> .
<b>Warranty</b>	See <b>New Home Warranty</b> .
<b>Work/Works</b>	The <b>Work</b> relevant to the construction or rectification of a newly built, renovated, converted or completed project in accordance with the building contract, good practice, all relevant and applicable industry standards, codes of practice and relevant <b>Building Regulations</b> .

### 3. Scope of the Code

The **Code** applies to any **New Home** registered for a **Build-Zone New Home Warranty** on or after 1<sup>st</sup> June 2016. The **Code** is applicable until the expiry of the **Defects Insurance Period**.

The **Code** does not apply to:

- Second hand properties (e.g. homes taken by the **Home Builder** in part exchange).
- New build properties sold by a **Home Builder** not registered with the **Code**.
- Any property remaining under the ownership of the **Home Builder**.
- Any property acquired by social landlords for renting.
- Any property acquired by corporate bodies, partnerships or commercial landlords.
- Any property built by a self-builder or under contract between a builder and an individual for their own occupation.
- Any matter which is covered by the terms of the **New Home Warranty**.
- Any matter which is covered by other insurances, guarantees, warranties or indemnities.
- Loss of property value or blight.
- Any matter where the **Home Buyer** has not or does not expect to suffer a loss, whether physical, financial or psychological, relating to a service which would be expected from the **Home Builder**.
- Any party who is not subject to the **Contract** to purchase the **New Home**, unless appointed to act for or on behalf of the **Home Buyer** or **Home Builder** in relation to the **Contract** or in relation to a **Complaint, Dispute, Mediation** or the **Alternative Dispute Resolution Service**.

Any matter which would be better dealt with by another dispute resolution or ombudsman scheme should be referred to the relevant organisation. In these cases, these schemes will take precedence over the **Code** and its dispute resolution provisions.

**Nothing in this Code affects Home Buyers' existing legal rights.**



## 4. Monitoring the Code

To ensure the **Code** remains relevant and effective, the **Code Sponsor** will monitor the performance of the **Code** through the following means:

- Annual audit of each **Home Builder**
- **Home Buyer** satisfaction surveys
- Monitoring of **Complaints** and **Disputes**

This will enable the **Code Sponsor** to assess **Home Buyer** satisfaction and **Home Builder** compliance with the **Code**.

The **Code** will be reviewed annually prior to 1<sup>st</sup> June each year. The review will establish if the **Code** remains effective or if it needs to be amended or updated. Any changes will be implemented on an annual basis from 1<sup>st</sup> June for new registrations. Reviews of the **Code** will take into consideration a number of factors which contribute to the operation of the **Code**, including:

- Results of **Home Builder** audits
- Responses to **Home Buyer** surveys
- Consideration of **Complaints** notified during the 12 month period
- Consideration of **Disputes** notified during the 12 month period
- Referrals to **Mediation**
- Referrals to **Alternative Dispute Resolution Service**
- Referrals to the Disciplinary and Sanctions Panel
- The decisions of the Disciplinary and Sanctions Panel, **Mediation** and **Alternative Dispute Resolution Service**

An Annual Report on the effectiveness and operation of the **Code** will be presented to the Trading Standards Institute for review under the Consumer Codes Advisory Process on or after 1<sup>st</sup> June, and will also be published on the **Build-Zone** website. The Annual Report will provide details of performance, benefits and consumer satisfaction, and will additionally consider any changes in market conditions including regulatory amendments affecting homebuilding in the UK including revisions to consumer legislation.

## 5. Code Requirements

### 5.1 ADOPTING THE CODE

Compliance with the **Code** is mandatory for all **Home Builders** registered with **Build-Zone**, and any **Home Builder** who registers with **Build-Zone** must agree to comply with the terms of the **Code**.

### 5.2 ACCESS TO THE CODE

The **Home Buyer** must be given fair and reasonable access to the **Code**:

- The **Home Builder** must make the **Code** available in written format, free of charge, to any **Home Buyer** or prospective **Home Buyer** or their representative.
- The **Home Builder** must display a copy of the **Code** in any show home or at any sales office or other area related to the sale of the **New Home**.
- Hard copies of the **Code** must be produced on A4 portrait paper. The **Code** can also be distributed by email as a PDF document.
- Any requests for braille, audio recordings, and translations into other languages or other formats should be made to the **Code Sponsor**. The **Code Sponsor** will engage to meet all reasonable requests from a **Home Buyer** or their representatives, which are not the responsibility of the **Home Builder**.

The **Home Builder** must provide the **Home Buyer** with written details of the **Code**, specifying what cover is provided, what is excluded, and the period the **Code** is effective. Details should be provided of the **Complaint** and **Dispute** procedures, as well as how to access **Mediation** and the **Alternative Dispute Resolution Service**.

### 5.3 CUSTOMER SERVICE

Employees and **Agents** of the **Home Builder** must be trained according to their role in dealing with **Home Buyers**. They must be aware of the provisions of the **Code** in order to make the **Home Buyer** aware of their rights under the **Code**.

Employees and **Agents** of the **Home Builder** must be made aware of their responsibility not to engage in high pressure selling techniques.

Employees and **Agents** of the **Home Builder** must be trained to recognise and cater for the needs of **Vulnerable Consumers** (see Section 5.4 '**Vulnerable Consumers**').

The **Home Builder** must be able to show, via records of attendance, training programmes, professional qualifications, express statements or similar, that employees and **Agents** of the **Home Builder** have been trained to understand the terms of the **Code**.

At the request of the **Home Builder**, the **Code Sponsor** will undertake appropriate training sessions for the employees of the **Home Builder**.

**Home Builders** must demonstrate that their practices, including operations, sales and contracting/construction, are lawful. This includes, but is not limited to, evidence of Employers' and Public Liability Insurances.

## 5.4 VULNERABLE CONSUMERS

**Home Builders** and their **Agents** must comply with the following guidance on **Vulnerable Consumers**, to ensure their needs are catered for so they are able to make informed decisions:

- The **Home Builder** must ensure that **Vulnerable Consumers** understand the **Code**, the purchase and their responsibilities, e.g. where there is a language barrier, the **Home Builder** should recommend that a translator is appointed as the **Home Buyer's** representative.
- The **Home Builder** must ensure that all employees and **Agents** involved in the sales process understand their responsibility to identify and support **Vulnerable Consumers**, and that the necessary arrangements are made to provide advice and assistance appropriate to their needs.
- The **Home Builder** should not make assumptions about the degree of knowledge that a potential **Home Buyer** has.
- If a potential **Home Buyer** declares vulnerability (e.g. blindness or language barrier), the **Home Builder** must consider the possible effect of that vulnerability on the proposed transaction.
- If no vulnerability is declared by the potential **Home Buyer**, but it becomes apparent that there may be vulnerability, the **Home Builder** should seek clarification from that person and/or their representative. Enquiries must be considerate and unlikely to offend or to be interpreted as discriminatory.
- If the **Home Builder** is advised of, or perceives there to be vulnerability, they could also consider seeking further information from an appropriate organisation specialising in that vulnerability.
- The **Home Builder** must take the **Vulnerable Consumer's** specific needs into account in any information or guidance they are given.

Further sources of information about vulnerability may be found in Section 6 'Useful Information'.

## 5.5 ADVERTISING THE NEW HOME

All sales and marketing material and activity used to advertise the **New Home** must be clear and truthful, with no misleading information regarding the size, price, specification or other details of the property.

When advertising the **New Home**, all relevant Advertising Codes or Legislation must be complied with:

- For non-broadcast advertisements, the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing must be complied with;
- For broadcast advertisements, the UK Code of Broadcast Advertising must be complied with;
- Any other relevant regulations or legislation, such as the Consumer Rights Act 2015 must be complied with.

The **New Home** must be advertised with an accurate **Specification** including a clear description of prices, fees and the costs of all proposed services.

The **Home Builder** must ensure that employees and **Agents** do not engage in high pressure selling techniques. These could include:

- Giving misleading information regarding the size, specification or other details of the **New Home**.
- Offering financial incentives in return for an immediate decision.
- Implying a future price increase.

The **Code** must not be advertised with the **New Home** unless the **New Home** has been registered with **Build-Zone** for the purpose of obtaining a **New Home Warranty** and an **Initial Certificate** has been issued.

## 5.6 NEW HOME WARRANTY

The **Home Builder** must give accurate and reliable information to the **Home Buyer** regarding the **Build-Zone New Home Warranty** and the cover it provides. The **Home Buyer** must be provided with a copy of the **Initial Certificate** and policy wording, together with **Build-Zone's** contact details.

## 5.7 HEALTH & SAFETY

The **Home Builder** must provide appropriate provisions regarding Health & Safety for potential **Home Buyers** when visiting the **New Home** whilst **Works** are being undertaken. The site must comply with the requirements of the Construction (Design & Management) Regulations 2015 and should have a clear Health & Safety policy.

The **Home Builder** must take account of the needs of the **Home Buyer** visiting the site. In particular the needs of disabled visitors should be considered, to ensure there is adequate provision for access and escape.

Personal Protection Equipment, Health & Safety briefings and any other relevant guidance should be provided as appropriate.

Suitable provision must also be made regarding Health & Safety for potential **Home Buyers** when visiting a show home, the **Home Builder's** office or similar.



The **Home Builder** must provide appropriate guidance on the regulations relevant to Health & Safety for additional **Works** that may be undertaken to the **New Home** by or on behalf of the **Home Buyer**, e.g. **New Homes** completed to shell & core by the **Home Builder** where the **Home Buyer** separately undertakes completion works.

The **Home Builder** must make appropriate provisions regarding Health & Safety for **Home Buyers** following **Completion** (before or after **Sale Completion**) where remedial, **Snagging** or other additional **Works** are to be undertaken to the **New Home** by the **Home Builder**.

## 5.8 PRE-CONTRACT INFORMATION

The **Home Builder** must provide sufficient pre-purchase information to the **Home Buyer** prior to the **Home Buyer** entering into a **Contract**, to allow them to make an informed decision about purchasing the **New Home**. The information should include:

- A written **Reservation Agreement**.
- Information explaining the full terms of the proposed **Contract**.
- A full **Specification** for the **New Home**.
- Details of any management services and organisations to which the **Home Buyer** will be committed and their estimated cost.
- Details of any other services and costs to be provided to or incurred by the **Home Buyer**.
- An explanation of the **Code** provisions.
- An explanation of the **Warranty** cover.
- Full details of the **Home Builder**, including full legal name, contact name and details, address and legal status.
- Details of any Third Party representing the **Home Builder**, such as a Conveyancer, Solicitor or Selling Agent, including full legal name, contact name and details, address and legal status.
- Details of how to make a **Complaint** under the terms of the **Code**.

If the **New Home** is not yet complete, the information provided should include:

- A brochure or plan showing the layout, size, appearance and plot position of the **New Home**.
- An estimate of the expected **Completion** date.

The **Home Buyer** must be informed of their right to terminate the **Reservation Agreement** or the **Contract**. Examples of circumstances when a right to terminate exists include:

- An alteration to the **New Home** that directly or materially affects the value.
- Excessive or unreasonable misrepresentation of features or amenities.
- Excessive or unreasonable delay in construction of the **New Home**.

The **Home Buyer** must be made aware that cancellation and withdrawal rights cease following **Sale Completion**.

The **Home Builder** must advise the **Home Buyer** that the **Contract** to purchase a **New Home** should only be considered with proper legal advice and representation. The **Home Builder** must not restrict the **Home Buyer's** choice of legal representative.



The **Home Builder** must be aware of and cater for the additional requirements of **Home Buyers** that can be classed as **Vulnerable Consumers**. **Vulnerable Consumers** and their representatives must be given the right to request additional, reasonable services from the **Home Builder**, to ensure they are fully informed when considering the **Contract** (see Section 5.4 '**Vulnerable Consumers**').

## 5.9 RESERVATION AGREEMENTS

The **Home Builder** must provide the **Home Buyer** with a written **Reservation Agreement** which clearly sets out the terms of the Reservation, including but not limited to:

- The amount of the Reservation fee.
- Confirmation that the Reservation fee is refundable if the Reservation agreement is cancelled, with details of the nature and extent of any administration fees which may apply.
- Full details of the **New Home** (including property type, plot number etc.).
- The purchase price.
- How long the price and the **Reservation Agreement** remain valid.
- Details and estimated cost of any management services that the **Home Buyer** must pay for.
- Details of how the **Home Buyer** can include in the **Contract** any spoken statement that is to be relied upon.

While the **Reservation Agreement** is in force, the **Home Builder** must not enter into a new **Reservation Agreement** or sale agreement with another customer on the same **New Home**.

Unless the **Home Buyer** has paid the Reservation fee by credit card (and the fee is over £100), the **Home Builder** must hold the Reservation fee in a separate statutory trust client account designated for holding such fees.

The **Home Buyer** may cancel the **Reservation Agreement** during the agreed Reservation period in which case the Reservation fee (less any deductions for reasonable costs incurred by the **Home Builder**) must be refunded within 14 working days of the date of notice of cancellation given by the **Home Buyer**. The Reservation period may be extended by mutual agreement between the **Home Builder** and **Home Buyer**. If the deadline date is not extended and **Contracts** have not been exchanged, the **Reservation Agreement** automatically expires.

The Reservation fee must be refunded in full if the **Home Buyer** wishes to cancel the Reservation for any reason within 7 working days of signing the **Reservation Agreement**.

## 5.10 CONTRACT EXCHANGE

### 5.10.1 [The Contract](#)

The Pre-Contractual Information reviewed by the **Home Buyer** and included in the **Reservation Agreement** must form the basis of the **Contract**. Where there are any changes in terms, the **Home Buyer** must be given the opportunity to fully consider the amended **Contract**.

The form of **Contract** must be in writing in plain English and must comply with the Consumer Rights Act 2015. It must include information about:

- The **Home Buyer's** cancellation rights prior to paying **Deposits**.
- The **Home Buyer's** cancellation rights after payment of **Deposits** and / or following completion of a **Reservation Agreement**.
- Details of where and how a **Deposit** will be used and safeguarded.
- The **Home Buyer's** cancellation rights once a **Contract** has been entered into.
- The **Home Buyer's** rights to receive details of any change in the **Specification** of the **New Home** between **Contract** exchange and **Completion**.
- Details of all costs for the **New Home** including services, charges, maintenance fees and how each cost has been calculated including clearly stated taxes at prevailing rates where relevant.
- Expected delivery and completion dates, including **Completion** of the **New Home** and anticipated **Sale Completion**.
- Details of the **Home Buyer's** rights arising out of failure of the **Home Builder** to meet specified delivery and completion dates.
- Details of the **Home Builder's** Complaints procedure, together with details of the rights of the **Home Buyer** under the terms of the **Code**.

To avoid **Disputes** over spoken statements, immediately before exchange of **Contracts** the **Home Builder** must ensure that the **Home Buyer**, through their legal representative, states in writing what spoken statements they are relying on when entering into the **Contract**.

The **Home Buyer** must be allowed sufficient time to fully consider the proposed **Contract**.

The exchange of **Contracts** must be supervised by professionally qualified Third Parties.

The **Home Builder** must be aware of and cater for the additional requirements of **Home Buyers** that can be classed as **Vulnerable Consumers**. **Vulnerable Consumers** and their representatives must be given the right to request additional, reasonable services from the **Home Builder**, to ensure they are fully informed when considering the **Contract** (see Section 5.4 '**Vulnerable Consumers**').

#### 5.10.2 Deposit Protection

The **Home Builder** must arrange for the **Home Buyer's Deposit** to be protected, and must clearly explain to the **Home Buyer** how this is achieved. The **Deposit** must be protected by one of the following methods:

- The **Home Builder** holds the **Deposit** in a separate statutory trust client account which is designated for the holding of **Deposits** and cannot be accessed by the **Home Builder** until **Sale Completion**. Evidence must be provided to the **Home Buyer**.
- The **Deposit** is protected by a bond or similar security and evidence of this has been provided to the **Home Buyer**.
- The **Deposit** is protected in full by the **Warranty** and evidence of this has been provided to the **Home Buyer**.

The **Home Buyer** will be entitled to receive full reimbursement of **Deposits** from the **Home Builder**, without any deductions, where the **Home Builder**:

- is in breach of the **Contract**;
- fails to meet agreed delivery and completion dates; or

- fails to provide a **New Home** to the agreed **Specification** (as described in 5.10.3 below) and the **Home Buyer** subsequently withdraws or cancels the **Contract** or the agreement to enter the **Contract**;

at any time prior to **Sale Completion**.

The **Home Builder** cannot limit their liability to fully reimburse the **Deposits of Home Buyers** unless specifically allowed for by the **Contract**.

### 5.10.3 [Changes to the New Home after Exchange of Contracts](#)

If a change is made to the design, construction or materials to be used in the **New Home** that will materially alter its size, appearance or value, the **Home Builder** must formally consult the **Home Buyer** and obtain their written agreement to any changes. If the **Home Buyer** considers the alterations unacceptable, they have the right to cancel the **Contract** and obtain a full refund of the **Deposit**, with no deductions or withholding of any fees.

Minor changes that do not significantly alter the size, appearance or value of the **New Home** must be notified to the **Home Buyer**, with the advice that they may wish to consult their legal representative as to the effect of those changes on the **Contract**. However the **Home Buyer's** agreement is not required by the **Home Builder** in respect of such changes.

Changes requested by the **Home Buyer** that the **Home Buyer** agrees to pay for that are not included in the **Reservation Agreement** or **Contract** must be agreed in writing by the parties. This agreement must include:

- Rights of cancellation and refund.
- Estimated impact on the date the **New Home** will be finished and available for occupation.

## 5.11 SALE COMPLETION

The **Home Builder** or **Home Builder's Agent** must provide **Build-Zone** with confirmation of the date of **Sale Completion** in order for **Build-Zone** to issue the **Certificate of Insurance** in respect of the **Warranty**.

At **Sale Completion** the **Home Builder** must provide the following information regarding the **New Home** to the **Home Buyer**:

- A copy of the Building Control Completion Certificate.
- The **Certificate of Insurance** and Policy Wording for the **Warranty** where available, or an explanation as to why they are not available.
- A **New Home Guide** giving full details of appliances, services etc.
- Guidance on **Snagging**, and how to notify the **Home Builder** of any **Snagging** issues.
- Details of any guarantees and warranties applicable to the **New Home** or its contents.
- Details of the **Home Builder's** Complaints Procedure.
- Details of how to access the **Code's Mediation and Alternative Dispute Resolution Service**.
- Full details of the after sales service offered by the **Home Builder**. This should include confirmation of the length of the after sales service, and contact details for the **Home Builder** or their **Agent** during this period.

At **Sale Completion**, the **Home Builder** must make the **Home Buyer** aware of their right to require the **Home Builder** to complete or rectify any incomplete or faulty items (**Snagging**). The **Home Builder** must agree with the **Home Buyer** items that require further **Works**, and the **Home Builder** must complete **Snagging Works** within a reasonable period acceptable to the **Home Buyer**.

The **Home Builder** must be aware of and cater for the additional requirements of **Home Buyers** that can be classed as **Vulnerable Consumers**. **Vulnerable Consumers** and their representatives must be given the right to request additional, reasonable services from the **Home Builder**, to ensure they are fully informed when considering the **Contract** (see Section 5.4 '**Vulnerable Consumers**').

## 5.12 NEW HOME GUIDE

The **Home Builder**, or a Third Party acting for the **Home Builder**, such as a Managing Agent, must produce a **New Home Guide** which is specific to the **New Home**. The **Home Builder** must provide the **New Home Guide** to the **Home Buyer**.

The **New Home Guide** must provide general advice and guidance regarding the **New Home**, including: operating white goods and appliances; locating service boxes; contact details for Utilities providers; etc.

The **Home Builder** is responsible for the content of the **New Home Guide** and any errors or omissions, and must ensure that all the information is clear and accurate.

## 5.13 CONTACTING THE HOME BUILDER

The **Home Buyer** must be able to contact the **Home Builder**:

- Until expiry of the **Defects Insurance Period** for **Complaints** covered by the **Code** or matters relating to the **Warranty**.
- During the after sales period for matters which relate to the **New Home** or the **New Home Guide**.

The **Home Builder** must provide the **Home Buyer** with up to date details of how, when and where the **Home Builder** can be contacted.

## 5.14 COMPLAINTS & DISPUTES

### 5.14.1 [Complaints](#)

A **Complaint** must relate to the provision of services by the **Home Builder**, which are not covered by the terms of the **Warranty**.



If a **Complaint** relates to matters covered by the **Warranty**, the **Home Buyer** should refer to the **New Home Warranty Policy Wording** and follow the appropriate **Complaints Procedure**.

**Home Builders** must have a procedure in place in order to effectively deal with **Complaints**:

- The **Home Builder** must provide clear information on how the **Home Buyer** can make **Complaints**, who to and in what format, such as verbally over the phone, by email, in writing or in person.
- When a **Complaint** has been made, the **Home Builder** must promptly acknowledge the **Complaint** and confirm to the **Home Buyer** how their **Complaint** will be responded to.
- A suitable timetable must be provided to the **Home Buyer**, during which time the **Complaint** can be investigated before a response is made.
- The **Home Builder** must provide clear, accurate and reasonable responses to the **Home Buyer**.
- The **Home Builder** must provide clear information on how the **Home Buyer** can access **Mediation** and the **Alternative Dispute Resolution Service**.

In the event that the **Home Buyer** disagrees with the **Home Builder** following a **Complaint**, the **Code** will treat any further correspondence between both parties as a **Dispute**.

#### 5.14.2 [Disputes](#)

The **Home Builder** must have a system in place in order to effectively record and deal with **Disputes** arising from **Complaints**:

- The **Home Builder** must provide the **Home Buyer** with clear information on how the **Home Buyer** can escalate a **Dispute**.
- If a **Dispute** cannot be settled between both parties, the **Home Buyer** is entitled to raise the **Dispute** with **Build-Zone**.

The **Home Buyer** can choose to escalate a **Complaint** or **Dispute** to **Mediation** and / or the **Alternative Dispute Resolution Service**. However, **Mediation** cannot be undertaken following a decision made under the terms of the **Alternative Dispute Resolution Service** unless the subject matter of the **Complaint** or **Dispute** is separate from the matter considered by the **Alternative Dispute Resolution Service** facilitator and the **Home Builder** has had the opportunity to respond to the **Complaint** or **Dispute**.

### 5.15 PROFESSIONAL ADVISORS

If the **Home Buyer** appoints a **Professional Advisor**, the **Home Builder** must treat the **Professional Advisor** as if they were the **Home Buyer**. The **Professional Advisor** shall be subject to the same rights under the **Code** as the **Home Buyer**, subject to those rights only being used for and on behalf of the **Home Buyer**.

The **Home Buyer** has the right to deal with the **Home Builder** solely through the use of a **Professional Advisor** and the **Home Builder** must contact the appointed party only, unless permission is provided to the contrary.



In the event that a **Complaint** or **Dispute** is brought before **Mediation** and / or the **Alternative Dispute Resolution Service**, the **Home Builder** must contact the appointed party acting for the **Home Buyer** only, unless permission is provided to the contrary.

#### 5.16 BUILD-ZONE MEDIATION

A **Complaint** or **Dispute** can be brought to **Mediation** in the event that a **Home Buyer** is not satisfied with the **Home Builder**, in the following circumstances:

- a **Home Builder** has been notified of a **Complaint** which has not been acknowledged within a 30 day period; or
- a **Home Builder** has acknowledged a **Complaint** but has not provided a resolution, response or decision to the **Home Buyer** within a 30 day period from the date of acknowledgement; or
- where a **Home Builder** has responded to the effect that appropriate investigations need to be undertaken relevant to resolving the **Complaint**, the **Home Builder** must provide a reasonable date by which a resolution, response or decision will be made. In this event, the **Home Buyer** may raise the **Complaint** or **Dispute** to **Mediation** where the **Home Builder** fails to provide a resolution, response or decision within a 30 day period of the date agreed; or
- within a 6 month period following the provision of a written decision by the **Home Builder**.

The **Mediation** service will be free of charge to both parties.

The **Home Buyer** and **Home Builder** will be notified of the outcome of the **Mediation** within a 45-day period following the provision of appropriate evidence, unless otherwise agreed in writing by **Build-Zone** and both parties.

The **Mediation** service will be undertaken by a Chartered Industry Professional (Qualified with designations from CIOB, RICS, ICE, IStructE or other Body as appropriate) on the instructions of **Build-Zone**.

The outcome of **Mediation** is not legally binding on either party.

The outcome of **Mediation** does not affect the rights of the **Home Buyer** to escalate the **Complaint** or **Dispute** to the **Alternative Dispute Resolution Service**.

The outcome of **Mediation** does not affect the statutory rights of the **Home Buyer** to pursue legal action outside the **Code**.

#### 5.17 BUILD-ZONE ALTERNATIVE DISPUTE RESOLUTION SERVICE

A **Complaint** or **Dispute** can be brought to the **Alternative Dispute Resolution Service** in the event that a **Home Buyer** is not satisfied with the **Home Builder**, in the following circumstances:

- a **Home Builder** has been notified of a **Complaint** which has not been acknowledged within a 30 day period; or

- a **Home Builder** has acknowledged a **Complaint** but has not provided a resolution, response or decision to the **Home Buyer** within a 56 day period from the date of notification; or
- where a **Home Builder** has responded to the effect that appropriate investigations need to be undertaken relevant to resolving the **Complaint**, the **Home Builder** must provide a reasonable date by which a resolution, response or decision will be made. In this event, the **Home Buyer** may raise the **Complaint** or **Dispute** to the **Alternative Dispute Resolution Service** where the **Home Builder** fails to provide a resolution, response or decision within a 30 day period of the date agreed; or
- within 56 days following the provision of a written response by the **Home Builder** to the **Mediation** decision; or
- following completion of **Mediation**.

The terms, conditions and processes to be followed by the **Alternative Dispute Resolution Service** will be agreed by the Centre for Effective Dispute Resolution (CEDR), which is independent of the **Home Builder** and **Code Sponsor**, prior to the appointment of an Adjudicator.

The following costs, awards and limits apply:

- The case registration Fee for Adjudication for the **Home Buyer** is £100 plus VAT.
- The Fee for Adjudication with early settlement for the **Home Builder** is £250 plus VAT.
- The Fee for Adjudication without early settlement for the **Home Builder** is £500 plus VAT.
- Awards for emotional distress and / or inconvenience are subject to a maximum award of £1,000.
- Awards can include reimbursement of the **Home Buyer's** case registration fee of £100.
- The maximum value of any award will be 25% of the contract price of the **New Home** subject to a maximum of £50,000 (inclusive of VAT) in the aggregate for all awards.
- The **Home Builder** may be ordered to satisfy and comply with a performance award that will be advised by the Adjudicator, e.g. where the **Home Builder** must carry out **Works** to the **New Home**.
- The **Home Builder** may be ordered to satisfy and comply with any combination award, i.e. a combination of reimbursement of financial loss, compensation for emotional distress and inconvenience (subject to the limits above), and carrying out **Works** to the **New Home**.
- The **Home Builder** may be referred to the Disciplinary and Sanctions Panel following the decision of the Adjudicator.
- All awards made by the **Alternative Dispute Resolution Service** are INCLUSIVE OF VAT.

All costs, awards and limits stated relate to matters separately considered by the **Alternative Dispute Resolution Service**. A new **Complaint** raised during the **Alternative Dispute Resolution Service** process which the **Home Builder** has not had the opportunity to respond to will not form part of the **Alternative Dispute Resolution Service**.

Under the terms of their registration with the **Code**, the **Home Builder** is required to honour any award made against them under the **Alternative Dispute Resolution Service**.

The Adjudicator's decision cannot be appealed against. It can only be accepted or rejected by the **Home Buyer**. Should the **Home Buyer** reject the Adjudicator's decision this does not affect their statutory rights to take further legal action outside the **Code** against the **Home Builder**.

## 5.18 DISCIPLINARY & SANCTIONS

The **Home Builder** can be referred to the Disciplinary & Sanctions Panel following the outcome of **Complaints, Disputes, Mediation** and the **Alternative Dispute Resolution Service**.

The Disciplinary & Sanctions Panel comprises 3 professionals who have been appointed by the **Code Sponsor**.

The members of the Panel will comprise a Local Authority Trading Standards Representative, an independent Construction Industry Professional and an independent Insurance Professional. The Panel will be chaired by the Local Authority Trading Standards Representative.

Decisions made by the Panel will be based on a majority opinion.

The Disciplinary & Sanctions Panel will have the power to enforce, through legal means, any failure of the **Home Builder** to comply with the decision of the **Alternative Dispute Resolution Service**.

The Disciplinary & Sanctions Panel will have the power to sanction **Home Builders** for any breach of the terms of the **Code**.

The Disciplinary & Sanctions Panel may impose sanctions on the **Home Builder**, including but not limited to:

- Option 1: Written warnings regarding the specific breach, including a training programme to be undertaken, at the direction of a party to be appointed by the Panel and at cost to the **Home Builder**, in order to assist the **Home Builder** in rectifying the breach.
- Option 2: A financial penalty or fine, equivalent to reasonable costs which were incurred by the **Home Buyer** and / or **Code Sponsor** as a result of the breach, awarded to each party for their respective losses.
- Option 3: The **Code Sponsor** being instructed to no longer provide **Code** or **Warranty** services to the **Home Builder** or to any party associated with a Director or Senior Manager of the **Home Builder**, either at present or in the future. The imposition of a ban on the **Home Builder** will either be defined by a period of time, or will be indefinite.

Where a **Home Builder** is referred to the Disciplinary & Sanctions Panel on a second occasion, the Panel will only consider Option 2 or 3 above.

Where a **Home Builder** is referred to the Disciplinary & Sanctions Panel in respect of a breach of the **Code** relating to a **Vulnerable Consumer**, the Panel will only consider Option 2 or 3 above.

The Disciplinary & Sanctions Panel may share details of sanctioning with other Code Sponsors and New Home Warranty Providers who operate a similar Code.

## 6. Useful Information

The following Third Party Bodies, Institutions and Associations may be able provide useful information regarding New Homes, purchasing New Homes and the rights of Consumers:

### **Citizens Advice**

Local Citizens Advice centres and information can be found at:

<https://www.citizensadvice.org.uk/about-us/contact-us/>

Citizens Advice consumer helpline: **03454 04 05 06**

### **Trading Standards Institute**

Chartered Trading Standards Institute and itsa Ltd

1 Sylvan Court

Sylvan Way

Southfields Business Park

Basildon

Essex

SS15 6TH

Tel: 03454 040506

Web: [www.tradingstandards.uk](http://www.tradingstandards.uk)

**Please note that consumer questions and complaints should be referred to Citizens Advice.**

### **Home Builders Federation**

HBF House

27 Broadwall

London SE1 9PL

Tel: 020 7960 1600

Email: [info@hbf.co.uk](mailto:info@hbf.co.uk)

Web: <http://www.hbf.co.uk/contact-us/>

### **Royal Institution of Chartered Surveyors (RICS)**

12 Great George Street

Parliament Square

London SW1P 3AD

Tel: 024 7686 8555

Email: [contactrics@rics.org](mailto:contactrics@rics.org)

Web: <http://www.rics.org/us/footer/contact-us/uk-enquiries/>

### **Council for Licensed Conveyancers**

CAN Mezzanine

49-51 East Road

London N1 6AH

Tel: 0207 250 8465

Email: [clc@clc-uk.org](mailto:clc@clc-uk.org)

Web: <http://www.clc-uk.org/Contact-us.aspx>

**Institute of Customer Service**

Bridge House

4 Borough High Street

London

SE1 9QQ

Tel: 0207 260 2620

Web: <https://www.instituteofcustomerservice.com/contact-us>

**Planning Portal – Building Regulations**

<http://www.planningportal.gov.uk/buildingregulations/>

or contact your Local Authority Building Control Department

**Disability and Mental Health Issues**

<https://www.gov.uk> for access to information and advice on disability and mental health issues

[www.ableize.com](http://www.ableize.com) which is run by disabled people, providing links to local and national support and advice groups.





**Build-Zone  
6 Pembroke Road  
Sevenoaks  
Kent  
TN13 1XR**

**[www.Build-Zone.com](http://www.Build-Zone.com)**

**Telephone 0345 230 9873  
Facsimile: 01732 740 994**

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