



Protection for new-build home buyers



## **Consumer Code for Home Builders Independent Dispute Resolution Scheme**

### **Information for customers**

The Consumer Code for Home Builders Independent Dispute Resolution Scheme is provided by CEDR for the purpose of impartially resolving disputes between Home Builders and Home Buyers arising from a Home Builder's alleged non-compliance with the Consumer Code for Home Builders ('the Code').

### **Scope of the Scheme**

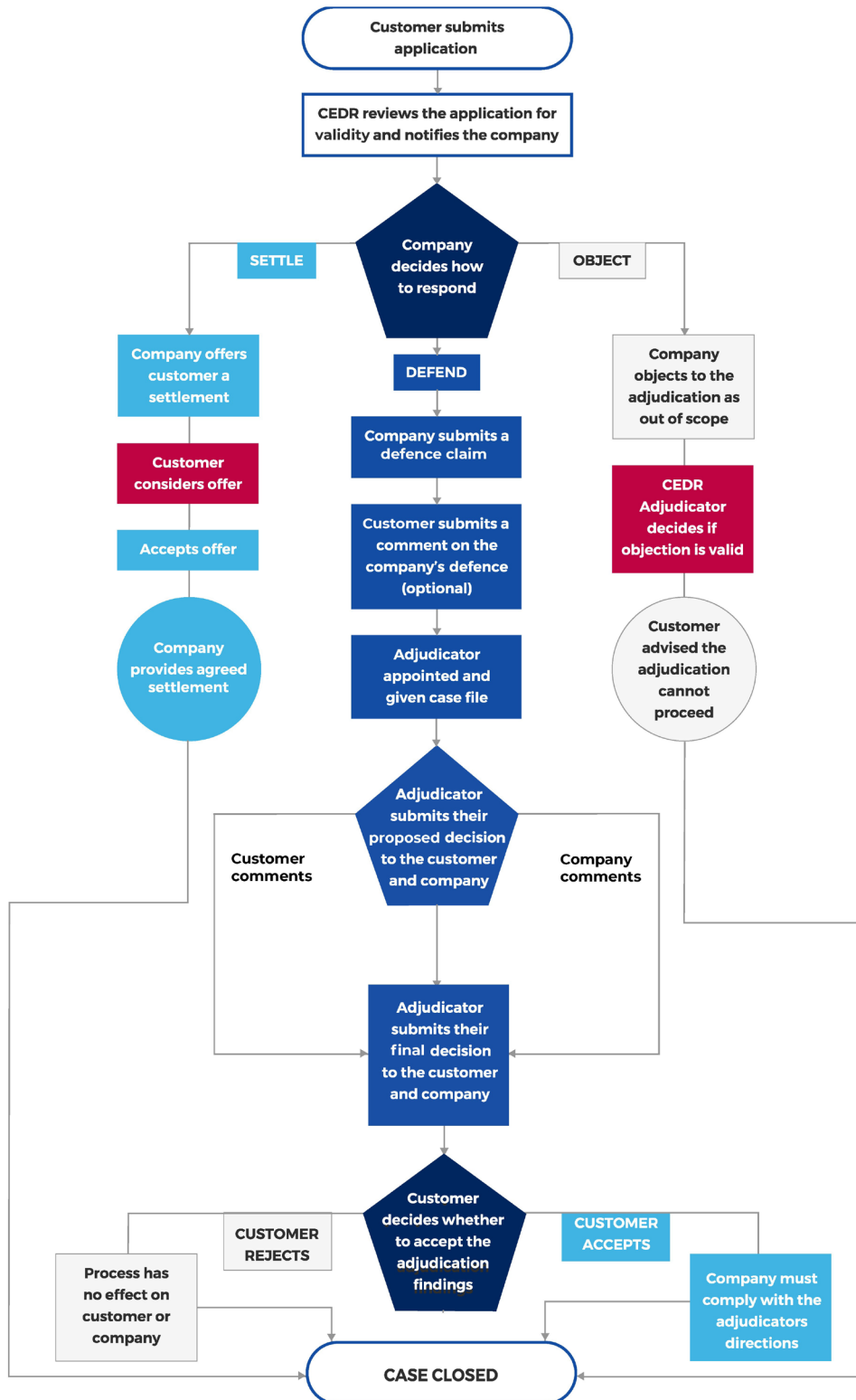
The Consumer Code for Home Builders Independent Dispute Resolution Scheme can consider disputes arising from anything a Home Builder does or does not do that the Home Buyer believes is a breach of the Code. The Code can be found online at: <https://consumercode.co.uk/>.

An Adjudicator will take into account the Code Requirements, any relevant Home Builder good practice Guidance published by the Code (which can also be found through the link above), and the evidence and submissions provided by the parties.

### **How do I apply to use the Consumer Code for Home Builders' Independent Dispute Resolution Scheme?**

To apply to use the Scheme, you will need to complete an application form and obtain a reference number from the Home Warranty Body that issued the Home Warranty for your property (details of which can usually be found on your Reservation agreement). Please note that you may bring the claim to the Consumer Code for Home Builders' Independent Dispute Resolution Scheme only after 56 calendar days have passed from the date of the original complaint, and no later than 12 months after the date of the Home Builder's final response.

# Process for a typical Consumer Code for Home Builders Adjudication case



**Note:** It is important that you fill in all parts of the application form as carefully as possible, detailing which parts of the Code you believe have been breached and providing any documents that you think will support your case (including receipts for losses incurred). The Adjudicator's decision will be based only on the information that you and the Home Builder provide.

*Some Questions and Answers*

***I have a complaint with a Home Builder but they say I cannot use the Consumer Code for Home Builders' Independent Dispute Resolution Scheme. Why is this?***

There are certain circumstances where the Code and the Independent Dispute Resolution Scheme will not apply. For reservations taken prior to 31 December 2023 these can be seen here (page 5):  
For reservations taken on or after 1 January 2024, these can be seen here (page 10):

<b>For reservations taken on or prior to 31 December 2023</b>	<b>For reservations taken on or after 1 January 2024</b>
Second-hand properties (for example, homes taken by Home Builders in part exchange and re-sold)	Homes that at the time of reservation by the first Buyer are covered by the New Homes Quality Code
Properties acquired by registered social landlords for rent	Homes bought under a shared-ownership scheme
Properties acquired by corporate bodies, partnerships and individuals buying more than one property on the same development for investment purposes	Second-hand homes (for example, those taken by Builders in part-exchange and re-sold)
Properties built by self-builders for their own occupation	New-build Homes that were not sold by a Builder registered with a Home Warranty Body
Homes assigned or sub-sold by an investor to a third party before Legal Completion	New-build Homes for which a New Home Warranty has not been issued by a Home Warranty Body
Personal injury claims	Homes that remain under the Builder's ownership
Loss of property value or blight	Homes acquired by social landlords for rent
Claims about the land conveyed and its registered title	Homes acquired by corporate bodies, partnerships, charitable organisations, commercial landlords or other non-consumer purchasers such as individuals acting in the course of trade or business buying a Home for investment purposes
Claims that exceed the Independent Dispute Resolution Scheme limits	Homes acquired by a receiver and sold on to consumers
	Homes built by self-builders or under contract between a Builder and an individual for their own occupation
	Homes assigned or sub-sold by an investor to a third party before their ownership transfers from the Builder to the Buyer
	Homes built under a professional consultant's certificate, unless a Home Warranty Body has also issued a New Home Warranty

### ***What can the Consumer Code for Home Builders Independent Dispute Resolution Scheme make the Home Builder do?***

If the Adjudicator agrees with your complaint, they can tell the Home Builder to do any, or all, of the following:

- Give you an apology or an explanation;
- Take some practical action that will put right the matters complained of;
- Pay you an amount of money for the cost of putting right the Home Builder's breach(es) of the Code or for the reasonable expenses you incurred as a result of the Home Builder not complying with the Code. This amount will depend on the limit set out in the applicable version of the Code;
- Pay you an amount of money for any distress and/or inconvenience you have suffered as a result of the matters complained of. The amount will depend on the limit set out in the applicable version of the Code.

### ***Who makes the decision on my complaint?***

The decision will be made by a trained Adjudicator with experience in dealing with the types of complaint covered by the Consumer Code for Home Builders Independent Dispute Resolution Scheme. The Adjudicator will also possess relevant legal knowledge (particularly relating to consumer matters).

### ***How does the Adjudicator decide on how much money to award for putting right the breaches of the Code?***

The Adjudicator will take account of how much you have claimed, all of the circumstances you and the Home Builder have described in the evidence you both provided, and the evidence submitted.

### ***When considering whether to award money for any inconvenience you may have suffered as a result of a breach of the Code, the Adjudicator will take account of the following:***

- How much you have claimed in your application;
- The severity and effects of the breach(es) of the Code;
- What the Home Builder says about your claim and how they have behaved towards you. Please note that any amounts awarded must be in proportion to all the circumstances of the case and you may not receive an award for inconvenience alone if no breach of the Code Requirements has been found. Awards are judged as a matter of fact and on the resulting financial loss.

***What if the Home Builder and I decide to settle my complaint?***

You and the Home Builder can settle the dispute between yourselves at any time before the Adjudicator makes a decision. If you decide to do this, you and the Home Builder must negotiate a settlement with each other directly and not through the Consumer Code for Home Builders Independent Dispute Resolution Scheme. If you do negotiate a settlement, we need the Home Builder to let us know in writing, and we will contact you to make sure that the complaint has been settled.

***What if the Home Builder gives me everything I asked for?***

The Home Builder must tell us that they have done this. If you also tell us that they have done this, we will close the case.

***Do I need a solicitor?***

You do not need a solicitor but you can choose to instruct one if you want. Please note that the process for the Consumer Code for Home Builders' Independent Dispute Resolution Scheme has been deliberately designed to be simple, swift and straightforward and you will not therefore get your costs incurred for using a solicitor reimbursed.

***Will there be a hearing that I will be required to attend?***

No, the Adjudicator will carry out their assessment of your case only on the basis of the evidence provided by you and the Home Builder. This is why it is very important to provide all of the documents that you wish to rely upon with your application.

***What is the Proposed Decision?***

The Adjudicator's Proposed Decision sets out what they are minded to decide before it becomes final and allows both you and the Home Builder to comment further. This is only however for you and the Home Builder to clarify any points which you believe the Adjudicator may have misunderstood. You will not be able to introduce any new complaints at this stage.

***Will the Adjudicator change their mind in the final decision?***

Any comments that you and/or Home Builder have on the Proposed Decision will be forwarded to the Adjudicator, who may or may not take such comments into account. The Adjudicator has the power to make any amendments he or she considers appropriate to the Proposed Decision before finalising it as the Decision, which is usually sent within five working days of receipt of the comments.

**What happens when I receive the final decision?**

You will have six weeks to let us know, in writing, whether you accept the Adjudicator's final decision. If you do not tell us within six weeks, the Home Builder will not be obliged to take action in line with the decision, but you can still take the matter to court. If I agree with the decision within six weeks, when will the Home Builder take the necessary action?

The Home Builder must act on the decision within 20 working days of the date of the Adjudicator's written notification. When the Adjudicator instructs the Home Builder to pay the award, the Home Builder must pay you direct and tell the Independent Dispute Resolution Scheme that this has happened.

***What if I have a complaint about the Adjudicator's decision? Can I appeal?***

The Adjudicator's final decision can only be accepted or rejected by the Home Buyer. It cannot be appealed or amended. If you are dissatisfied with the Adjudicator's decision, you are free to reject it and pursue redress against the Home Builder through alternative means, such as the courts.