

# Consumer Code for Home Builders

## On-Line FAQ Listing

<b>The Code</b>		
<b>General</b>		
1	When did the code come into effect?	The Code Requirements came into force on the 1st April 2010 and will apply to all home buyers who sign a Reservation agreement on or after this date where both the Home and the Home Builder are registered with one of the Home Warranty Bodies supporting the consumer code scheme. It does not apply retrospectively.
2	Who wrote the code? Where did it come from?	The Code was written by a consortium of industry bodies in answer to concerns expressed by the Office of Fair Trading in their Market Study published in 2008.
3	Do builders registered with supporting Warranty Bodies have to sign up to the Consumer Code?	No. By virtue of their registration with one of the participating Warranty Bodies, Home Builders are required to comply with the Consumer Code through their respective rules of registration.
4	What are the extra benefits for Home Buyers under this scheme?	Until publication of this Consumer Code, a Home Buyer who felt that they had a claim against their builder for out of pocket expenses for example, as a result of their builder's action or inaction, would have had to take a case to court if the matter was not covered by their Home Warranty scheme. Under the Consumer Code, not only are the builder's responsibilities more clearly laid out, there is also a low-cost, speedy, independent dispute resolution scheme that can decide a builder's responsibilities, without the customer having to take to legal action.
5	Is extra guidance going to be made available to home buyers?	Home Buyers will be able to see the guidance (the Builder Guidance document and these FAQs) provided to builders on how to meet the requirements of the code. Both the Code Requirements and the Builder Guidance documents are downloadable from the <a href="#">Downloads</a> page of this web site.
6	Who is paying for all of this?	The costs of setting up and running the scheme are paid for by the participating Home Warranty Bodies. It is intended that these costs will be recovered by them in the charges they make to their registered builders.
7	If Home Builders are paying for this scheme, what are they going to get out of it?	Home Builders will benefit from having self regulation rather than Government imposed regulation and a levy to pay for it. There will be a speedy, low-cost resolution of disputes which might otherwise result in expensive litigation.  Ultimately, Home Builders should benefit from higher levels of satisfaction that Home Buyers will have with their new home and the service provided by their builder. Also, there will be feedback to House Builders about customer satisfaction and the issues that regularly cause disputes.
8	Under clause 4.2 what responsibility exists to supply Health and Safety advice to customers where there is a Management Company and the properties are rented or leased?	The requirement for providing information does not change. It must be given to the owner of the building, but they have responsibility for informing the residents – not the Home Builder.
<b>Availability</b>		

9	The Consumer Code Requirements are downloadable from this web site; would this then be the Home Buyer's copy?	Yes it could be, if that is how the Home Builder wishes to fulfil this Code requirement. Home Builders may, as an alternative, incorporate the Code Requirements into their own documentation.
10	Do the Home Warranty Bodies intend supplying printed copies of the Consumer Code Requirements for Home Builders to buy?	It is not currently the intention of the Home Warranty Bodies to print off stock copies of the code for builders to use. <a href="#">The code documents are available in various formats for download from this web site</a>
11	Clause 1.2 suggests that Home Builders should consider providing the code requirements in other formats. Is there further clarification on this; is something going to be produced that Home Builders can use?	It depends on the market to which the Home Builder is selling. There is a "Clear Print" version of the Code that complies with the RNIB guidelines. There is also a Welsh language version available. If a Home Builder regularly sells to a particular set of customers who only speak a particular language for example, then they should consider preparing a translation.
<b>Displaying the Code</b>		
12	Requirement 1.2 says that the Home Builder must 'display' the Code. How should this be done?	This can be satisfied by one or more means such as reproducing the Code in brochures, on web sites, or displayed in sales offices.
<b>Zurich Building Guarantees</b>		
13	Are properties registered with Zurich covered by the Code?	The code applies to homes reserved on or after 1st April 2010 that are registered with NHBC and Premier Guarantee & LABC New Home Warranty, currently the only Home Warranty bodies supporting the Consumer Code scheme.  Zurich Building Guarantees, who stopped registering new properties in 2009, are not one of the supporting Home Warranty Bodies and properties that are registered with them are not covered by the Consumer Code.
<b>Reservation</b>		
<b>General</b>		
1	Is placing a Home Buyer on a 'waiting list' or giving them an 'early bird' right of first refusal, classed as a 'Reservation'?	For the purposes of the Consumer Code, a Reservation Agreement is as defined under Code Requirement 2.6.  Any arrangement prior to Reservation, which is entered into between a Home Builder and prospective buyer, and which does not involve a payment, is not considered as a 'Reservation' under the Code.  If a payment is made, then it must be in the form of a Reservation Agreement.
<b>List of Contents</b>		
2	In Clause 2.1, what is meant by a list of the home's contents?	It means the features and contents such as the fixtures and fittings that are included in the sale price including, but not limited to, the model and extent of white goods, floor finishes, carpets, curtains, wall tiling, door finishes, door entry system, telephone and TV points, intruder alarms, shaver points, heated towel rails, mirrors, door furniture, taps, showers, and so on. It does not mean the structural elements of the home.

<b>Cancelling &amp; Fees</b>		
3	<p>The Code says that if a Home Buyer cancels the Reservation Agreement or does not exchange contracts, the Home Builder should reimburse the reservation fee but be allowed to deduct his expenses and costs. What can these be and why can he deduct them?</p>	<p>The Reservation Agreement is a legal agreement. The builder is committed to holding that property for the Home Buyer at a defined price and period of time and not to market it to any other potential buyers during the period of the Reservation Agreement. The Home Buyer is therefore protected from 'gazumping' or being placed in a 'contract race'</p> <p>The Home Buyer has an exclusive period in which, with the advice of their solicitor they are able to satisfy themselves in all respects that it is the property they wish to buy, that it is suitable for them, and that they have the finance available to buy it, on the terms proposed in the Contract of Sale.</p> <p>If the Home Buyer does not proceed to exchange of contracts, then the Home Builder may have incurred costs in instructing solicitors, providing the detailed contract documentation, dealing with the customer's enquiries, and other administration costs in processing the sale. They may have incurred costs in delaying the eventual sale and in remarketing of the property.</p> <p>The Home Builder is allowed to deduct from the Reservation fee those costs actually incurred in holding and processing that sale.</p>
4	<p>Can a reservation agreement simply state a percentage of the Reservation fee be withheld if the Home Buyer cancels the Reservation?</p>	<p>No. The purpose of the Consumer Code is to address practices that are neither fair nor transparent.</p> <p>A Home Builder may deduct the reasonable costs they have incurred if the Home Buyer cancels a Reservation agreement, such as the cost of preparing legal documents for example (see 3 above). A simple statement of a percentage deduction would not follow the spirit of this Code Requirement. A Home Builder should clarify to the Home Buyer at the time of reservation what costs they would be likely to deduct.</p>
5	<p>If Reservation fees have to be refunded, does this not encourage potential Home Buyers to reserve multiple properties on the same or different developments?</p>	<p>The purchaser will incur a cost as the builder will deduct reasonable costs for reservations that are subsequently cancelled.</p> <p>It is up to the Home Builder to determine the amount of reservation fee required and explain what deductions may be made at the point of taking the reservation. In addition, a Home Builder does not have to enter into a Reservation Agreement with every Home Buyer who wants to reserve (but must not discriminate against buyers, for example on the grounds of race or religion) and may pre-qualify Home Buyers to determine whether they are in a position to proceed with the purchase.</p> <p>The refund of some of the Reservation fee, after the deduction of reasonable costs, is widely practiced in the industry and there is little evidence of the placing of multiple reservations by Home Buyers.</p>
6	<p>Under clause 2.6 what is meant by the administrative and other costs that are deductible? Can guidance be given on what these costs might be?</p>	<p>It is not possible for the Consumer Code to prescribe what costs could be deducted – every Home Builder will have their own systems and their own costs.</p> <p>The clause allows the Home Builder to decide what he feels reasonable to deduct from the Reservation fee. These costs may change or increase the longer the Reservation is in force – reflecting the work done by the Home Builder in getting the property and the paperwork to a state where contracts are to be exchanged.</p> <p>The Home Builder will have to be able to demonstrate reasonable costs should a case be referred to the independent dispute resolution service available under the code.</p>

7	Can a Home Builder cancel the Reservation agreement whilst it is in force?	No; A Home Builder cannot cancel the Reservation agreement. It is either cancelled by the Home Buyer or it expires on the due date – unless it has been extended by mutual agreement through the legal advisers.
8	If the Home Buyer has reserved a home and chosen a specification for it but then withdraws, could the costs of the original specification be deducted from the reservation fee.	<p>If the Home Builder agrees to carry out additional work that is not included in the price agreed for the Home, before the Home Buyer makes a binding commitment to purchase the property the Home Builder is advised to require payment for those works in advance. These works should be the subject of a separate contract with the Home Buyer.</p> <p>Alternatively, where the additional work may be agreed but not carried out before exchange of contracts, they can be included in the contract of sale and in the price agreed for the Home. In some circumstances the Home Builder may be able to evidence the works as a 'lost cost', and seek to recover from the reservation fee. However, this may be difficult to evidence and may be at risk if referred to the Code dispute resolution scheme.</p>
9	Does clause 3.4 apply to Reservation fees – do they have to be protected?	No – the requirement for protection refers only to contract deposits. The Home Builder is required to explain how other payments, such as Reservation fees and the like, are dealt with.

## Contracts

Completion and "Long Stop" Dates		
1	Under clause 3.2 what is meant by increased certainty of the completion date?	<p>The Home Builder should assist the Home Buyer in understanding when their new purchase will be ready. What the Home Builder tells the home buyer will depend on when this information is given to them; this will determine the degree of accuracy of this information. The guidance gives some ideas of what this might mean.</p> <p>Whilst some builders might elect to keep their customers up to date on a more regular basis as to when the home might be completed, this is not a requirement of the code.</p> <p>When a Contract of Sale is exchanged, it must incorporate an anticipated date of Legal Completion, which should reflect that which is truly considered as the date by which it will be delivered. This date should reflect the advice given to the Home Buyer during the pre contract period.</p>
2	Under clause 3.3, does the long stop date start from the anticipated date of Legal Completion?	<p>Yes. The so-called 'long stop date' is the date beyond the anticipated date of Legal Completion stated in the contract following the guidance to Code Requirement to 3.3.</p> <p>If the Home Builder fails to complete and handover the home by this date in the contract, they could become liable for costs incurred by the purchaser due to the delay, and may cause a referral to the independent dispute resolution service available under the code.</p> <p>If the Home Builder also fails to complete and handover the home after the expiry of the further extended period (the long stop date) beyond the anticipated legal completion date, thereby incurring 'unreasonable delay' as defined, the Home Buyer could also exercise their right to terminate the contract.</p>

3	<p>If, due to a Home Buyer's requirement for extra works, the 'long stop date' had been exceeded, could he cancel the contract?</p>	<p>Where extra works are agreed prior to the exchange of contracts, the timing of those works should be taken account of in the anticipated date of legal completion and the works shall be incorporated as part of the Contract of Sale.</p> <p>If additional/ extra works are agreed with the Home Buyer after the Contract of Sale has been exchanged, these works are outside the Contract of Sale and should be the subject of a separate contract with the customer which is not a part of the original Contract of Sale of the dwelling.</p> <p>If these works will cause the contract completion date to be exceeded, then the Home Builder and the Home Buyer should agree via their respective legal advisors to an amendment to the anticipated date of legal completion. If this new date is missed, the comments under 2 above will apply in respect of missed dates of legal completion and missed long stop dates</p>
4	<p>The Code refers to keeping the home owner informed with regard to completion dates. If the completion date becomes extended but the Home Builder has kept the home owner involved throughout this process, can the home owner still make a valid claim through the independent dispute resolution scheme?</p>	<p>If the Home Builder and Home Buyer formally agree a variation to the date in the contract and confirm the same by an amendment to the contract through their solicitors, then it would be difficult to see a basis for a claim.</p>
5	<p>If delays arise which are outside the Home Builder's control, are these relevant in relation to extending the completion date and negating any liability under the dispute resolution service?</p>	<p>No; Home Builders are considered to be the experts, and have committed to deliver a Home to the customer in a time frame having assessed the risks.</p>
6	<p>Can contracts include a clause around providing flexibility around completion dates?</p>	<p>If a Home Builder feels that that they can word their contract in this manner and still comply with the core requirements of the Consumer Code, then fine. However, there are three points to note:</p> <ol style="list-style-type: none"> <li>1 the mandatory requirement that Home Buyers be given reliable and realistic information about when the construction of the Home may be finished;</li> <li>2 the mandatory requirement that the sale contract contain an anticipated date of legal completion;</li> <li>3 the mandatory requirement that the contract clauses area clear, fair and comply with the Unfair Terms in Consumer Contracts Regulations 1999</li> </ol>

<b>Termination Rights</b>		
7	<p>The Guidance to Requirement 3.1 says Home Buyers should have the right to terminate a contract and get their deposit and Reservation fee back if, after Contracts have been exchanged, changes are made to the design, construction or materials of a Home that significantly and substantially alter its size, appearance or value. Can further guidance be provided about what constitutes a significant or substantial change? Does a Home Buyer have an absolute right to reject a change to the appearance of a home or is there a test of reasonableness that can be applied?</p>	<p>It identifies an important principle that must be covered in the Contract of Sale, that the Home Builder cannot significantly or substantially alter the size, appearance or value of the Home without gaining the agreement of the Home Buyer.</p> <p>It is up to the individual Home Builders to state how the changes will be dealt with. For example, the Contract could state how practical issues such as the timescales in which the Home Buyer must give their approval for the changes or exercise their right to terminate the Contract.</p> <p>The Contract may also go into more detail about what constitutes a minor (or significant) change. Different terms may apply to a Home that is being sold for example well in advance of its construction or completion. It may be for example that changes are anticipated because details of materials, finishes or appearance have not yet been agreed by the planning authorities. If the circumstances have been made known to the Home Buyer in the pre-purchase information and are reflected in the contract terms, it may not be reasonable for the Home Buyer to exercise a right of termination. Any terms and conditions must satisfy the Code's Requirements to be fair, and comply with the Unfair Terms in Consumer Contracts Regulations 1999.</p> <p>Home Builders should also consider Code Requirement 2.1, which states that a brochure or plan should be provided before the Home is purchased that reliably shows the layout, appearance and plot position of the Home. The information provided before purchase should be consistent with the information provided after contracts have been exchanged. If there are still matters to be resolved on the design, materials and appearance of the Home, disputes at a later date may be avoided if areas where changes may take place are advised or the circumstances under which there may be changes are explained. The principle that should be satisfied is that Home Buyers must be given enough pre-purchase information to help them make suitably informed purchasing decisions.</p>
8	<p>Where a home owner believes that the necessary circumstances have arisen that would allow them to terminate the contract, what happens if the Home Builder disagrees?</p>	<p>Matters relating to the contract of sale will have to be decided by a court of law.</p> <p>Whether or not a Home Buyer has the right to recover monies from the Home Builder can be decided by the independent dispute resolution service available under the Consumer Code.</p>
<b>Early Legal Completion</b>		
9	<p>Can legal completion take place earlier than that written into the contract?</p>	<p>The Contract of Sale can provide for the contract date to be the latest date by which notice to complete or completion shall take place and then provide for earlier completion if agreed between the parties.</p>
<b>Investors</b>		
1	<p>Are all investors excluded from the Consumer Code</p>	<p>Yes; individuals, groups or organisations who are buying one or more Homes for the purposes of renting are excluded from the Consumer Code.</p>

2	Does the code apply to developers who are not registered with a Home Warranty Body but who have use a registered Home Builder as a contractor?	<p>As the Vendor is unregistered, there is no direct link to the Home Warranty Body's Rules enforcing compliance with the code. However, the Warranty Bodies have an agreed procedure in place whereby any such unregistered developers will be invited to sign an undertaking to comply with the code requirements.</p> <p>Such an agreement will be prerequisite on releasing warranty documents and would be defendable should the Home Buyer take a case to the independent dispute resolution service available under the code.</p>
3	If an investor exchanges contracts with a builder or developer and then either assigns the contract or sub sells to a private buyer, is that private buyer covered by the consumer code?	<p>As this private buyer is effectively a second purchaser, there is no relationship between them and the original developer – therefore the consumer code requirements do not apply.</p> <p>The only exception to this being the developer's responsibility to this private buyer as if they were a second purchaser under sections 4 and 5 of the consumer code in relation to defective workmanship that occurs and is reported within the builder two year liability period.</p> <p>It may be worth noting that this kind of scenario could run contrary to any lenders' own transparency or disclosure requirements and should be checked with them.</p>

## Second Purchasers

1	Are second and subsequent owners of the property covered for after-sales matters of the code? Point 4 of the scope states that they are, but under section 4.1 of the guidance document it reads that 'the above obligation to inform does not apply to second and subsequent owners...' and goes on to state that the home builder is only responsible for items covered under the warranty's 2 year Defects (Builder's Obligations) Period.	Second and subsequent homeowners can benefit from the Code but only in respect of the after sales processes that the Home Builder has in place in respect of the their behaviour to resolve defective workmanship in the Home under the responsibilities placed on them under the Home Warranty.
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## Construction

<b>Completeness</b>		
1	The Guidance to Requirement 3.2 suggests a method for giving information on when the home is likely to be ready. Does this mean that if a Home that has not been started, a Home Builder can use the season of the year when they expect to complete the Home as the 'anticipated date' for completion in the contract?	<p>In the contract, Home Builders are expected to give a date, rather than a season or week, when they expect to complete the Home, this is referred to in the Guidance as the 'anticipated date'.</p> <p>Home Builders will provide information on handover and completion dates at various stages in their contact with Home Buyers, including in sales literature and in pre-contract information. The Code requires that whenever information is provided it is realistic and reliable. It is recognised that it would be unreasonable to have to give an exact date for handover months or possibly years ahead of the completion of an apartment scheme, for example, that has not been started. In these circumstances it would not be unreasonable in sales literature to give a season when the home is likely to be completed.</p>
<b>Standards</b>		
2	Under Requirement 2.1, what "standards" should be referred to?	These are the construction standards – and include the technical standards of the Home Warranty bodies and the Building Regulations that applied at the time the home was built.

<b>Phases and stages of construction</b>		
3	Under Code Requirement 3.2 (d) what constitutes “a larger development”? What does “phase” mean? What sort of works could this include?	<p>A Builder may develop a large site in a series of smaller sections called “phases”, which may be developed over several years. The extent of each phase will be influenced by the rate at which homes are sold and constructed. The Builder will generally complete all works to a phase in sequence as the development proceeds.</p> <p>It may not be possible to fully complete some elements of the development that may serve several phases until the later stages. These may be for example: top coats to roads, public open space and landscaping, cycle routes, and so on.</p>
4	Under Requirement 3.3, what is meant by “early” and “advanced” stages of construction?	It is not intended to be prescriptive as it is not possible to cover all types of development or construction methods. A degree of reasoned judgement must be applied.
<b>Extra works</b>		
5	Under cause 3.1, are extra works covered by the code?	<p>No; if the guidance is followed, extra works should be covered by a separate contract or agreement, the terms of which should be discussed and agreed between the parties, including any agreed extension to the completion date.</p> <p>"Extra works" should not be confused with "options", which would normally form part of a Contract of sale, and therefore be covered by the Consumer Code.</p>
<b>Builder's Liabilities</b>		
6	What responsibility under the code does a Home Builder have when he is acting as contractor to a registered developer?	<p>If there is a developer registered with one of the Home Warranty bodies, the properties should be registered in their name and the sale contract should also be in their name.</p> <p>The developer will be required under the Home Warranty Body rules to take responsibility for build quality and compliance with building standards, and for also compliance with the mandatory requirements of the Consumer Code.</p>
7	Where a Home Builder and rents out one of his properties for a period of time before selling to a private buyer, does the code apply?	<p>Such properties are deemed to have the Home Warranty running from the date of signing off by the Home Warranty Body.</p> <p>The code would only apply in respect of a Home Builder's responsibilities under section 4 and 5 of the code in respect of technical issues arising during the private buyer's occupation and which are reported for the first time during the 2 year builder liability period of the Home Warranty.</p> <p>If the property is sold after the expiry of the two year builder liability period, the code does not apply.</p>
<b>Dispute resolution</b>		
1	Are there any time limits set for asking for a case to be referred to independent dispute resolution?	Yes. Cases have to relate to a complaint that was first made within two years of completion of the Home. In addition, a case has to be brought within three months after the date of the Home Builder's final response to the original complaint or within three months after the date of the original complaint, whichever is the later.
2	What does the Home Buyer have to do before asking for a dispute to be referred to the independent dispute resolution scheme?	<p>First, they must first explain their concerns to their Home Builder, giving the Home Builder the opportunity to investigate and put things right.</p> <p>If a Home Buyer has given their Home Builder a reasonable opportunity to resolve the issues and there are still outstanding matters or a dispute exists, then the Home Buyer should contact their Home Warranty provider for further guidance.</p>



3	What happens if the Home Builder refuses to pay their part of the dispute resolution case fee?	The Home Warranty Body will cover this fee so as to allow a case to proceed. If this situation occurs, the Home Warranty Body will be advised automatically and this should be resolved without the Home Buyer's intervention. The Home Warranty Body will then pursue debt recovery from the Home Builder.
4	What happens if a Home Builder refuses to pay an award made in the Home Buyer's favour?	The independent dispute resolution is entirely independent of the Home Warranty Bodies so the Adjudication Decisions are not insured.  If Home Buyer accepts the Adjudicator's Decision, it can be recognisable in the court as strong evidence of the validity of a claim against the Home Builder and can be used to obtain a court order against them.
5	How long does the Adjudication process take?	There are certain time periods built into the scheme for actions by both the Home Buyer and the Home Builder. Overall, once the Home Buyer has submitted their claim form, the final Decision of the Adjudicator should be issued within 8 weeks.  For further guidance on the adjudication time line, please refer to the downloadable <a href="#">Adjudication Time-Line chart</a> .
6	Could a Home Buyer ask for numerous small value claims to be referred to the independent dispute resolution scheme?	There is no limit to the number of claims a Home Buyer can make. However, they have to pay a fee for each one and there are time limits for disputes to be referred to the dispute resolution scheme.
7	What happens if the two-year time limit for complaints is exceeded and the Home Builder's final response is made after the time limit? Will this prevent a Home Buyer from asking for independent dispute resolution?	No. Provided the Home Buyer asks for the complaint to be referred to independent dispute resolution, completes the application form and submits it with their fee within three months of the Home Builder's final response, the matter can still be considered.
8	Can a Home Builder ask for a dispute to be referred to independent dispute resolution?	Yes, but only with the agreement of the Home Buyer. All the normal process, rules and fees will still operate.
9	Why is the independent dispute resolution process compulsory on the Home Builder but not on the Home Buyer?	Because this is how consumer law works – the supplier is considered to be in a stronger position than that of the consumer and therefore better able to protect themselves.
10	Will the decision made through the independent dispute resolution scheme be in full and final settlement or can the issues still be taken to court?	It is not possible for anything to interfere with a consumer's right to take a matter to a court of law. The dispute resolution process therefore cannot be in full and final settlement.  However, if a matter has been heard and properly considered through an independent dispute resolution process, it is unlikely for a court to want to go through the whole process again – unless it can be demonstrated that there is evidence to show that the dispute resolution process or decision was flawed in law.
11	How can a 'documents only' process deal with technical issues and problems arising from the construction of homes; isn't a physical inspection required.	Technical issues will largely be dealt with by the Home Warranty Bodies and would not therefore be referred to the dispute resolution service provider.  If there are issues of a technical nature that fall outside of the scope of the warranty scheme, the Code's independent dispute resolution provider will determine if they are of a nature which they can decide upon, or advise the Home Buyer to consider their legal rights under the contract of sale.

12	If a builder wins the case at adjudication can he get his case fee back – is this returnable under the adjudication scheme?	No.
13	There have been instances where builders have been taken to court by home buyers when the site has been re-planned to include smaller or social housing and the homebuyer claims loss of value because of this. Is this covered under the Code and if so where and how would it be treated?	The scope in the Consumer Code specifically excludes loss of value or blight. If the home buyer felt aggrieved at a possible reduction of value, they would have to consider appropriate legal action.
14	Will the decisions of cases referred to independent dispute resolution be published?	Significant decisions will be published, but not so that it would be possible to identify individual Home Buyers or Home Builders.  An annual report of the Consumer Code scheme will be published with summary information on all cases decided and the levels of payments made, along with other information on the monitoring of customer satisfaction and the implementation of the code.
15	If a Home Builder ceases trading before sorting out defects in a Home, and the Home Warranty body steps in and does the work, can the Home Buyer still ask for independent dispute resolution to be able to make a claim for inconvenience?	No. The Home Owner had the benefit of being protected under the home warranty for the cost of the repairs and reasonable out of pocket expenses, as stated in the Home Warranty insurance policy document. They would not have to pay for the Home Warranty body to investigate their problems and would not have to prove their case.  If the Home Buyer has a dispute with their Home Warranty provider about the extent of the work required or other issues covered by the warranty insurance they can pursue the complaint through the Home Warranty body's dispute resolution process and, they have the right ask for their complaint to be referred to the Financial Ombudsman Service.
16	If a Home Buyer employs an expert to handle their case, can those costs be recovered through the independent dispute resolution scheme?	The scheme is meant to be one that is speedy, low cost and simple. As such it is not necessary for a Home Buyer to use professional advisors. If a Home Buyer decided to employ someone to pursue their case the costs associated with this would not be recoverable under this scheme.  However, if the problem was particularly complex, the Adjudicator appointed to decide the case has the authority to decide whether or not such expert fees were justified, especially if the Home Builder was clearly liable for the problem and, prior to referral, had refused to settle a claim. If the issues are too complex for the scheme to resolve, the parties will be advised to use more suitable legal routes.
17	If a Home Buyer makes a claim under the warranty and it is rejected could he refer the claim to the Home Builder or the independent dispute resolution scheme?	No; the independent dispute resolution scheme is for matters outside those covered by warranty. If the Home Buyer disputes Home Warranty Body's decision, they have to consider other routes such as formal arbitration under the Home Warranty scheme.
18	Where a Home Builder achieves an agreement as an "early settlement" prior to an adjudicator being appointed, can this be covered by a confidentiality agreement and be made as full and final settlement?	Yes. Agreements to settle disputes that are reached before an Adjudicator is appointed are private matter between the parties and can include whatever clauses each party agrees to.  Cases that are decided upon by the adjudication scheme and a formal Decision issued cannot be bound by a "full and final settlement" clause.

19	Under clause 5.2, given that the Home Warranty covers all the technical aspects of the building, what kind of dispute over building work could be referred to the independent dispute resolution scheme?	<p>This could include technical issues that are more a matter of contract than a breach of the Home Warranty Body's standards. For example, the contract and specification for the Home might state that gold-plated taps are installed, whereas the Builder has only provided chrome taps. Whilst this would not be a breach of Home Warranty, there might be a breach of contract. The cost of replacing the taps might be something that could be referred to the independent dispute resolution scheme.</p> <p>External works, such as the public open spaces, or a children's play area that were shown in the sales information or plans provided to the Home Buyer but have not been provided. These are not covered by Home Warranty, so could (provided they are not subject to specific agreements with the Local Authority) be referred to the independent dispute resolution scheme. Matters that are covered by agreements with Local Authorities should be referred by Home Buyers to the Local Authority for resolution.</p>
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### Monitoring

1	Will the results of the monitoring exercises, audits, mystery shopping and questionnaires, when the Code is in use, be published and made available?	There will be an annual report produced by the Consumer Code Management Board that will contain key performance data and the results of such surveys. This will also include key information in respect of the independent Dispute Resolution Service.
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### Errata

1	Why is Home Warranty defined twice on page 3 of both the Code Requirements and the Builder Guidance documents?	This is an error and has been removed from the downloadable versions.
2	In clause 2.6, there is a reference to Reservation "fee" in the Requirement and Reservation "deposit" in the guidance. Which is correct?	<p>It is normal to refer to a reservation "fee".</p> <p>This has been amended in the downloadable versions.</p>
3	<p>On page 16 of the Guidance (Appendix A) in the first paragraph the words refer to the adjudicator deciding if a home buyer has a legitimate dispute or has suffered financial loss.</p> <p>In 4.4 on the same page the words refer to the adjudicator deciding if a home buyer has a legitimate dispute and has suffered financial loss.</p> <p>Which is correct?</p>	<p>It should be "and", and will be changed in the next edition. It does not change the final outcome; if the homeowner has suffered financial loss as a result of the builder's breach of the code, they can take a case to Adjudication. If the adjudicator decides that the claim is valid "and" that the homeowner has suffered financial loss, he can make an award. If there is no loss, then there is no award.</p> <p>This has been amended in the downloadable versions.</p>