

Build Warranty New Home Warranty Code Desk-top Audit July 2026

Background information

Build Warranty Insurance Services Ltd was incorporated on 31st December 2018, set up to administer and manage Structural Warranty Indemnity Schemes and provide Latent Defect Insurance products.

The Build Warranty New Home Warranty Code came into effect on the 1st November 2019. The Code sets out the mandatory requirements for each member of their Directory of Developers to adhere to when marketing and selling their Homes. It is designed to make the home selling process fair and transparent to the Buyer.

At the date of the audit there was 373 members registered under the Build Warranty New Home Warranty Code.

Audit Process

The focus of the audit was on

- Member Application Process
- New members
- Existing member Inspections/Audits
- Membership Withdrawal and Sanctions for Non-Compliant Member Businesses
- Marketing and Advertising by Member Businesses
- Terms and Conditions and Other Pre-Contractual Information

Member Application Process

New applicants complete an online application form, which is reviewed by Build Warranty (BW) as part of the onboarding and quotation process. Due diligence checks are completed and recorded on the client file before the application progresses.

The application review includes checks on the applicant's identity, company or trading details, registered address, contact information, development/project details and the nature of the proposed works. Where the applicant is a limited company, BW reviews company information and obtains a credit report using sources such as Experian and/or Companies House. Sanctions checks are also carried out on the relevant directors. Where the application relates to an individual, self-build or homeowner applicant, appropriate identity checks are completed and sanctions checks are carried out on the individual applicant.

Once the initial due diligence has been completed, a quotation is sent. If the client accepts the quote, BW issues the Premium Indication document and a "Next Steps" email. The "Next Steps" email sets out the relevant due diligence and compliance documentation required before the file can progress. Following acceptance of the quote, the client is also sent the New Home Warranty Code document via Adobe Sign for review and signature. This confirms that the applicant has read, understood and agreed to comply with the requirements of the Code. The signed Code document is uploaded and recorded on the client file.

The client is also provided with the relevant Code logos and guidance for use on marketing material where applicable.

New Members

It is a condition of getting BW warranty cover that builders/developers sign up to the Code. Code membership is valid for 12 months from the date the Code is signed. Where a builder/developer submits additional projects within that 12-month period, a further renewal fee and new signed Code are not required. Where a builder/developer submits a new project after the 12 month period renewal is required and the builder/developer must sign the latest version of the Code. Where no further projects are submitted, membership may expire or not be renewed.

Throughout the process, outstanding documentation is tracked through the BW internal system and the BW app. Builders/developers can view outstanding requirements and upload supporting documents through the portal. When documentation is received, file notes are recorded to confirm whether the information has been accepted or whether further clarification, evidence or corrective action is required.

Before final sign-off and submission to the insurer, Build Warranty checks that the required application, due diligence and Code compliance documentation has been received, reviewed and recorded on the file.

Throughout the construction project a continuous scheme of quality assessment shall be in place in respect of the member and each development. BW arrange for inspections by their professional surveyors.

The following shall apply in respect of such assessments:

- the site audit surveyor will carry out a design check on each new development and each housing unit type;
- after each visit to site, the site audit surveyor will complete a site inspection report;
- the performance of a company in respect of each new development will be continuously assessed;
- on completion of each new development, an assessment will be made of the quality of the work on the new development;
- the assessment for each new development will be electronically stored and an on-going assessment of quality will be made

These technical inspections relate to build-stage and warranty requirements. They are separate from the Code compliance monitoring review process.

Existing Member Inspections/Audit

BW monitor compliance of their members through a structured, multi-layered framework designed to detect deficiencies early and provide intervention and support where necessary. This is separate from technical surveyor inspections, which relate to build-stage inspections and do not form part of the Code compliance monitoring process.

The BW Code compliance monitoring review is used to assess member's compliance with the Code, including staff awareness and training, marketing and advertising, pre-contract information, reservation and sales documentation, cancellation rights, deposit protection, warranty information, vulnerable customer support, customer service, complaints handling, ADR information, buyer handover documentation and customer feedback.

Monitoring reviews are scheduled and recorded through BW's internal system. Members are contacted by Teams, telephone or email and supporting documentation is requested through the BW portal and/or by email. Documents reviewed may include reservation agreements, sales particulars, pre-contract information, complaints

procedures, buyer information packs, warranty information, marketing material, evidence of logo usage, buyer details forms and buyer satisfaction feedback evidence.

Where documentation is missing, incomplete, unclear, unavailable due to the stage of the development or potentially non-compliant, this is recorded and follow-up evidence, clarification or corrective action is requested from the member. The review outcome and any follow-up requirements are recorded as part of the audit trail.

For the period June 2025 to June 2026, BW completed 56 Code Compliance Monitoring Reviews. These were completed remotely through direct member engagement, 20 by Teams, 35 by telephone and one by email. Based on the current membership figure of 373, this represents approximately 15% of members being subject to a Code compliance monitoring review during the period.

As requested details of five audits were supplied for the audit and found to be comprehensive.

Following site audits (by BW Surveyors) where any issues arise with the build, a 'Points of Attention' document is issued listing these matters. Also on this document are reminders of the developers obligations in relation to Code compliance.

Membership Withdrawal & Sanctions for Non-Compliant Member Businesses

Any breach of the code would be treated seriously by BW. There are no members currently involved in any disciplinary or sanctions process.

If necessary Disciplinary and Sanctions Panel can be convened. The Panel will include any three people from the list below and the Panel will appoint a Chair.

- two insurance professionals;
- Trading Standards professional;
- Construction Industry professional; and
- Surveyor or engineer

In the event that a member fails to comply with the decision of the Panel, the following are examples of sanctions that the Panel can recommend:-

- A training or improvement regime which will be designed to reinforce the content of the Code;
- Requirement that the member take additional measures (either temporarily or permanently). This could entail a change in working practices;
- Financial penalties
- Refusal to quote for any new business;

- Informing other build warranty providers of the member's refusal to honour its obligations under the Code;
- Suspension of BW Membership;
- Termination of BW Membership; or
- BW take legal action against the member for the breach of the Code.

BW would refer a member to the Panel should they have been convicted of an offence (or signed a formal caution) under any consumer protection legislation.

Marketing and Advertising by Member Businesses

Members must make it clear in all of their advertising literature that they are members of the Code and that they comply with all of its obligations.

Code members are required to ensure (and confirm in the self-assessment audit) that their marketing material is clear and not misleading. The Code requires that all sales and marketing literature should be in plain, simple English. The content of all literature should be clear, truthful, transparent and comply with relevant codes of advertising including ASA, CAP, BCAP, Phonepay Plus and any other relevant code. It must comply with the FCA requirement of treating customers fairly; and be compliant with all relevant consumer protection legislation.

BW members must not use high-pressure selling techniques to influence a consumer's decision such as suggesting that there is a time imperative, implying that there are other interested parties, intimating that there may be an imminent price increase or offering a financial incentive to secure an immediate decision.

Terms and Conditions and other Pre-Contractual Information

The Code requires that the contract of sale terms and conditions must be written in plain English, clearly set out the process and timing at which ownership of the home is likely to transfer from the builder to the buyer. It must detail any contract deposit amount and under what circumstances this is refundable; state the circumstances in which the buyer can terminate the contract (for example, where there are material differences to the description of the home); comply with the Consumer Rights Act 2015; and explain what will happen should the home not be ready for ownership by the buyer on the date advised by the builder.

BW provide a template reservation agreement for use by members. The adoption of this is confirmed by members at the self-assessment audit.

Customer Service Provisions

The Code requires that members should have suitable systems and procedures in place, which are commensurate with their responsibilities under the Code.

The Code includes advice on how to support consumers in vulnerable situations. BW have included a link to the CTSI guidance in the appropriate section of the Code.

Consumer Complaints Process

The member must have systems and procedures in place for receiving, handling and resolving complaints, service calls and handling any disputes. They must inform the buyer how to access these procedures.

The members should publish their complaints procedure and it should clarify that the complaint must be acknowledged within 14 days and respond within 30 days with an estimate of the extent of any remedial work and timescales for completion.

The member must inform the buyer at the earliest possible opportunity if the time frame needs to be extended and the reason for the delay. The member should provide the buyer with details of the Dispute Resolution Scheme (DRS) operated as part of this Code and it must be made clear that the DRS only deal with matters as defined in Clause 2 – Scope of the Code. BW provide a complaints policy for use by members. The adoption of this is confirmed by members at the self-assessment audit. BW use The Property Ombudsman for ADR services.

Customer Satisfaction and Feedback

Consumers are invited to leave feedback through several stages of the customer journey. When final certificates are issued, Build Warranty provides the client/homeowner with a review link. Following issue of the warranty certificate, Account Managers also carry out follow-up calls and ask whether the client/homeowner would be willing to leave a review regarding their experience.

In addition, Build Warranty operates a Buyer Satisfaction Feedback process. Once buyer details have been received from the developer, recurring Buyer Satisfaction Feedback emails are sent, including feedback requests. These emails invite homeowners to provide feedback on their experience and the service received.

Based on data extracted from Reviews.io for the reporting period (01.01.25 to 31.12.25) Build Warranty received 32 verified customer reviews, with an average rating of 5 out of 5.

Any feedback received is recorded and reviewed by BW. Where feedback indicates a low satisfaction score, dissatisfaction or potential service concerns, BW notifies the relevant developer, if appropriate. The developer is asked to consider the feedback and take corrective action where required. Feedback is also used as part of BW's ongoing monitoring of Code compliance, customer service standards and member performance.

An example of the email issued with the final certificate, including the review link, was provided for review for this audit and found to be satisfactory.

Conclusion

Build Warranty have continued to make good progress with their member monitoring, which now provides meaningful results that they can work with to ensure that their developer members comply with the requirements of the Code and when any non-compliances arise they can be quickly remedied. The content of their customer satisfaction survey responses provides meaningful understanding of consumer satisfaction and home buyers perception of members. This can help shape the development of the Code and member monitoring.