

**ABC+ CODE FOR NEW & NEWLY
CONVERTED PROPERTY SALES**



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Introduction

In 2016 The All Party Parliamentary Group for Excellence in the build environment considered evidence from a range of interested parties regarding the quality of construction of new homes. The resulting report More Homes – Fewer Complaints indicated that consumers wanted to see an improved quality of build, homes that were fit for purpose and an easy to understand warranty. Furthermore, if problems occurred they wanted an affordable mechanism to resolve the matter.

The report suggests that there is a clear quality gap between customer demand and industry delivery. Housebuilders it states need to make a concerted effort to create a more customer focused culture.

It concluded that there was a perceived flaw in the system of checking quality and the workmanship. Consumers thought or were told that the warranty offered was a hallmark of quality, whereas in reality the warranty covered far less than assumed and neither warranties or building control functions provided any comfort that their intended homes' finishing and fittings would be defect free.

Consumers also did not appreciate that in the first 2 years it was the builders' responsibility to sort out any defects, and that for the remaining life of the warranty only structural matters were covered.

The Code Sponsor has carefully considered the content of the report and where possible established code rules that reflect the report recommendations. The ABC+ Code for New and Newly Converted Property Sales is intended to inspire consumer confidence in the new build sector and raise building standards. It should ensure consumers receive enhanced customer service and consumer protection.

The Code Subscriber commits to comply with the provisions of the Code and agrees to support the Code Sponsor to raise building standards to the highest level achievable and in doing so put consumers first.

To achieve this the Code Subscriber should actively engage with specialised professionals such as Architects, Building Control Inspectors, Structural Engineers, Surveyors and Waterproofing Specialists to ensure the quality of the build and consequently the minimising of complaints and remedial action.

It is a mandatory requirement that clients requesting ABC+ Warranty will become a Code Subscriber and agree to conform to its rules.

Glossary

Adjudication: A formal decision made by an independent person based on an objective and impartial assessment of the facts of the case

Architect: A professionally registered person who is qualified in the design of newly built and newly converted homes.

Building Regulations: The minimum standards for the design and construction of the property which include both the quality standards and health and safety requirements.

Building Control Inspector: A professionally recognised person qualified in all subjects of building regulations.

Code: The ABC+ Code for New and Newly Converted Property Sales.

Code Subscriber: A builder or developer who is contractually bound by Architects Certificate subscribe to and comply with the Code.

Complaint: An issue that is raised by the homebuyer with the Code Member regarding the sale of a new or converted property

Completion: The point at which the ownership of the property is transferred from the Code Subscriber to the purchaser.

Conciliation: The process of reaching a mutually agreed settlement.

Construction product: Any product or kit which is incorporated in a permanent manner in construction works or parts thereof and the performance of which has an effect on the performance of the construction works with respect to the basic requirements for construction works.

Construction works: Any building, civil engineering or engineering work.

Contract / Contract of Sale: The legally binding document used for the sale of a Home.

Contract Deposit: A non-refundable deposit which is paid by the purchaser to the Code subscriber to reserve the property.

Contract Exchange: The point in the conveyancing process at which the contract becomes legally binding on both parties.

Dispute: A complaint that has not been accepted or has not been dealt with to the satisfaction of the Consumer, or within the timescale by a Code Member.

Dispute Resolution Scheme: The procedures for dealing with disputes between the purchaser. The name of this service provider is CEDR.

FOS: The Financial Ombudsman Service which settles complaints for financial services in the UK.

Leasehold: Where, the purchaser has the ownership and the right to use the property for a set period of time. Usually applies to flats rather than houses.

Management Services: The maintenance, supply and service obligations and charges that the purchaser is legally obliged to meet once they own the property.

Part Exchange Schemes: Where the purchasers existing home is traded as part payment for a new build property bought from the Code Subscriber.

Property: A new build or newly converted property registered by a Code Subscriber with Architects Certificate to obtain an ABC+ Structural Warranty.

Purchaser: A person who reserves or buys a newly built, newly converted or off-plan property.

Reservation Agreement: The written legal agreement between a purchaser and the Code Subscriber containing the statement of intent to buy and sell a property.

Reservation Fee: A fee that reserves the Home following the signing of a Reservation Agreement.

Snagging: Minor and/or cosmetic issues with the building work relating to the property which remain outstanding at Completion.

Specialised Professionals: Individuals that specialise in separate areas of construction such as a Structural Engineer; Architect; Building Control Inspector; Waterproofing specialists.

Specification: The general description of the main materials used to build the Home including wall, roof and floor construction, bricks and roof tiles, windows, internal and external doors, bathroom and kitchen tiles, equipment, furnishings, taps, central and other heating systems, paint, carpets.

Structural Defect: An inherent fault in the design or construction of the load-bearing portions or weatherproofing of the property.

Structural Engineer: A professional person who is a qualified specialist in design, construction, repair, conversion and conservation of dwellings. They are concerned with all aspects of a structure and its stability

Vulnerable consumer: A purchaser who by virtue of their circumstances is more susceptible to certain trading practices.

Water Ingress: The unwanted entrance of water into a property which without intervention could cause loss, destruction or damage.

Water Proofing Specialist: A professional person who is qualified in all areas of waterproofing for newly built and newly converted property. They are able to produce a structural waterproofing design to suit the structure of the property.

Purpose of the Code

The purpose of the Code is to ensure that purchasers of new and newly converted property

- Are treated fairly and with respect at all stages in the process;
- Know who they are contracting with and can be confident that the business is legitimate;
- Can be confident in the quality of construction of their prospective home;
- Receive exemplary customer service;
- Are advised on how to look after their new property and address any problems that may arise following the occupation of their home;
- Are given clear and honest information at the right time, allowing them to make an informed choice;
- Understand the procedure for dealing with customer enquiries and any complaint they may have; and
- Know that as potentially vulnerable consumers they will be given additional support and sufficient information to suit their individual needs.

Scope of the Code

The Code applies to any purchase of a new or newly converted property that is covered by an ABC+ Structural Warranty issued after 5th December 2023.

The Code also applies to the purchase of a new property proposed to be sold under a shared ownership scheme that is covered by an ABC+ Structural Warranty issued after 5th December 2023.

The Code does not apply to those properties

- Bought for investment purposes
- That are self-built, and the builder becomes the occupier
- Developed by social landlords for rental purposes
- Solely covered by an Architects Professional Consultants Certificate
- Taken in part exchange and re-sold
- Being purchased by an investor that is allocated to another person before completion

The Code does not cover disputes that:

- Are not against a Subscriber to the Code;
- Are covered by the ABC+ Warranty
- Are from a business;
- Is, or has been, dealt with by the Courts or another Dispute Resolution Service;
- Exceeds the Dispute Resolution Scheme limit of 25% of the purchase price of the property to a maximum of £50000 aggregated for all claims
- Are personal injury claims
- Are conveyancing or land registration claims
- Relate to loss of value or blight

The provisions of the Code will apply for the statutory period (6 years or 5 years in Scotland) within which a consumer may make a civil claim for a breach of contract. However, the level of any compensation awarded will be mitigated by the extent of the time that has lapsed between the date of the completion of the contract and the date that any claim is made.

The Dispute Resolution Service will not be able to administer a claim against a Code Subscriber if they have entered Administration, Liquidation or ceased to trade. Any claim in the circumstances should be raised under the provisions of the ABC+ Warranty.

Water Ingress

The Code Subscriber must follow the Code Sponsors Water Ingress Procedure and in those circumstances the purchaser has the protection of the ABC+ Policy. If the Code Subscriber fails to follow the Water Ingress procedure, the ABC+ Insurance Certificate will not be issued.

Second or subsequent purchasers

The ABC+ Warranty covers the property for 10 years and continues to apply however many owners the property has in that period. The provisions of the Code will apply for the statutory period within which a consumer may make a civil claim for a breach of contract (6 years or 5 years in Scotland), but this only applies whilst the first owner occupies the property.

Commitment to the Code

Any prospective Code Subscriber should be a legitimate business and be able to demonstrate financial stability.

The Code Subscriber should demonstrate a clear commitment to:

- Meeting the code criteria and maintaining compliance, and
- That they have the necessary infrastructure to conform to the Code.

Access to the Code

Customer awareness is key to success of any Code of Practice and the Code Subscriber should make the document available to all consumers free of charge. They should provide it in a written or digital format to enable the consumer to take the Code away or access it remotely.

They should:

- Display the Code prominently in all areas to which potential buyers have access (sales office, show house(s), third-party agents premises, and
- Make the Code available in a variety of formats (large print, other languages, braille etc;
- Fulfil a request for an unavailable format within 5 working days of the request
- Include details as to how to obtain a copy of the code on all documentation, including the Reservation Agreement

The Code Subscriber should ensure that all potential purchasers understand how the Code helps them but also their responsibilities.

Staff employed in the sales process should understand their obligations and if necessary recommend to the purchaser that they engage a representative.

Third-Party Representation

Code Subscriber staff and any third-party agent should respect and if necessary actively encourage the participation of a third-party representatives.

They should afford the representatives the same courtesy and time as if they were dealing with the purchaser themselves but ensure that the purchaser is not excluded from the process.

Consumer Guide

The purchaser should be given a guide to the Code and the Dispute Resolution Scheme. This guide should confirm the scope of the Code and highlight the exclusions and applicable deadlines.

A free or local rate telephone number, email contact and postal address should be provided to the purchaser to use should they wish to speak to the seller about the property.

These contact details should be prominently displayed on any premises that consumers have access to and included on or with any documentation given to the prospective purchaser.

External Support

The Code Subscriber may provide details of sources of information to support the purchaser:

Citizens Advice Bureau provide help and support to consumers who are in dispute with a trader.

www.citizensadvice.org.uk

England & Wales 0808 223 1133

Northern Ireland 028 9590 6505

Scotland 0808 028 1456

The Homeowners Alliance provide unbiased and practical advice for home buyers.

www.hoa.org.uk

Helpline 020 3397 3292

Access links to disabled peoples' support networks at www.ableize.com

Access to comprehensive details of organisations offering advice and support on specific mental health issues at www.gov.uk

Obtain help and advice about finding a RICS-qualified Surveyor at www.rics.org

Customer Service

The Code Subscriber should promote good customer service and professionalism amongst staff and encourage them to meet all service requests with courtesy and efficiency.

This Code recognizes that all consumers can be vulnerable at some stage in their life and that the purchase of property is the most significant transaction that they may ever make.

The Code requires that Code Subscribers should consider all their purchasers as potentially vulnerable and should adopt suitable systems and procedures to enable them to respond to the stated, identified or perceived needs of the individual.

Code Subscribers should ensure that all purchasers

- Understand how the Code helps them,
- Are allowed to make an informed decision
- Are given clear guidance regarding purchasing a new property
- Know what their responsibilities are and the obligations of the seller
- Are dealt with as an individual and are given the right level of support

For example:

- If language difficulties are identified, providing the material in the first language of the prospective purchaser, allowing time for them to understand the information and suggesting that they obtain the help of a translator and/or interpreter or
- If social interaction issues are identified the purchaser may need to be supported through the process by a specific member of staff.

Contact Information

The Code Subscriber should tell the prospective purchaser

- who to contact during the sale process,
- How their questions will be addressed, and that
- any query will be responded to within 5 working days

Staff training

All staff who deal directly with consumers should be given awareness training that includes an explanation of their responsibilities and the implications for the Code Subscriber if there is any failure to comply with the Code.

All staff and third-party agents involved in the sale of property and/or After Sales Service should have been given appropriate 'Customer Service' training. This should include training on identifying the differing needs of the customer dependent on their stated or perceived vulnerability and how they can support the consumer throughout the process.

It is an essential requirement of the code that a customer service trained member of the sales and/or aftersales team should be available at all times.

All Sales and After Sales Staff should understand their limitations and be confident to escalate any issue to a senior member of their team if necessary.

Code Subscribers should monitor, review, and where appropriate refresh staff training on an annual basis.

The Code Subscriber should

- listen to feedback from Consumers and the Code Sponsor and where appropriate use it as a tool to improve service and raise standards
- provide their consumers the ability to leave feedback about the property, service received, and general experience of the process in different ways
- provide details of the methods by which feedback can be given on any documentation given to the consumer

Consumer Surveys

The Code Subscriber must also

- Carry out an independent survey of all consumers who have purchased a property from them,
- Include questions designed to establish consumer awareness and understanding of the Code and
- Provide the results of those surveys and details of their response to the Code Sponsor to demonstrate compliance with the Code.

The Code Subscriber should use the information from the surveys and feedback to identify and implement service improvements.

Marketing and Sales

All sales and marketing material should use plain English. The content of the literature should be clear, fair and truthful.

Depending on the media used, sales and advertising material should also comply with the relevant code of advertising and the law, e.g.

- UK Codes on broadcast advertising, sales promotion and direct marketing;
- The Television Advertising Standards Code;
- The Radio Advertising Standards Code;
- The PhonePayPlus Code regarding premium rate charges
- any other relevant Codes or guidance.

All sales and marketing material should contain a statement that the Code Subscriber complies with the Code.

Code Subscribers should act legally at all times. The Code Subscriber should check that the material complies with The Consumer Protection from Unfair Trading Regulations 2008 and The Business Protection from Misleading Marketing Regulations 2008 before marketing the property.

Unfair Practices

The Code Subscriber should not use high-pressure selling techniques during the sales process. They should also ensure that all staff and any third-party agents are aware of their responsibilities under this part of the Code.

Examples of these unfair practices include

- Offering a financial incentive to encourage an early decision to make a reservation
- Indicating that there is interest from others when there is not
- Indicating that the price at which the property is offered is time-limited

The Code Subscriber should not substitute any construction product except where the product to be used is of a similar or improved specification.

Pre-Contract Information

Informing the purchasers decision

The Code Subscriber should give the prospective purchaser relevant information before they make any decision so that they can make an informed choice.

The minimum information that should be included is

- A written reservation Agreement
- A simple explanation of the Structural Warranty cover and contact details of the Code Sponsor
- The product specification for all major components used in the construction of the property
- An estimate of any Management services costs that the purchaser will be committing to pay
- A full list of the contents of the property that are to be included in the price
- Any plans for additional developments in the area
- Details of any leasehold arrangements (if applicable)

Purchase off plan

If the purchaser is buying off plan then they should receive (as a minimum) written details of:

- The size, specification, layout, position, appearance, price, utilities, energy performance etc of the property being reserved
- Any other build phases, facilities for, and timescale for completion

Structural Warranty Cover

The Code Subscriber should give the purchaser accurate and reliable information about the ABC+ Warranty to be provided for the property.

They should also provide any additional insurance documents that cover the property or fittings on completion of the transfer of ownership.

Health & Safety

All visitors to the construction site should be made aware of the appropriate health and safety precautions they should take to ensure their safety. If needed, appropriate safety equipment should be provided.

The Code Subscriber should ensure that visitors understand their personal responsibility to follow health and safety procedures and sign a document confirming this.

The Code Subscriber should ensure that all visitors to the site:

- Are guided by appropriate signage
- Can move around the site safely; and
- Are accompanied by an appropriate person.

All visitors should be given health and safety guidance in compliance with the relevant Construction Regulations.

Reserving the property

The purchaser should be given a Reservation Agreement written in plain English that clearly sets out the following terms that include but is not limited to:

- The amount the purchaser must pay to reserve the property;
- The circumstances when that fee is refundable or non-refundable;
- What administration fees or similar may be deducted if the purchaser withdraws before completion;
- The circumstances where those deductions may apply and the likely penalty;
- Details of the property being sold including the type, plot number, map, development name, and parking arrangements, where appropriate;
- The purchase price and how long that price remains valid
- How and when the Agreement will end:
- The date by which Contract Exchange is expected to take place
- Written details of the pre-purchase information provided
- Details of any part exchange, if applicable
- An explanation as to how the purchaser can include any verbal statement made prior to the reservation in the contract;
- Details of any Management Services costs that the purchaser must pay;
- The process to follow if the Code Subscriber becomes insolvent;
- The process to follow to request changes to the property specification and the limitation of those changes

The Code Subscriber should inform the purchaser that the Reservation Agreement is not a Contract of Sale and that the purchaser understands the difference between the two documents.

Part Exchange Agreements

If Part Exchange is offered to the prospective purchaser the Code Subscriber should ensure that the terms of the scheme are fair and transparent and must not be used to induce a sale.

The terms of the Part Exchange Scheme should be written in plain English and when a Part Exchange is requested by the purchaser the Code Subscriber should clearly state:

- The full terms and conditions that apply including any applicable Leasehold requirements;
- All of the fair market valuations that have been obtained and where they were obtained;
- The valuation that is acceptable to the Code Subscriber and why;
- Any deductions from the valuation;
- The date by which the prospective purchaser needs to accept the offer;
- The consequences of not accepting the offer by the stated date; and
- The anticipated date by which the Part Exchange and purchase of the property will be completed.

The Code Subscriber should give all purchasers, particularly vulnerable adequate time to consider and understand the information provided about the new property, Leasehold and any Part Exchange Scheme offered.

The Code Subscriber should give the purchaser a copy of the Reservation Agreement signed by both parties.

While the Reservation Agreement is valid the Code Subscriber should not enter into another agreement with anyone else for the same property.

Unless the Reservation Fee has been paid by credit card, the Code Subscriber should hold the Contract Deposit in a designated client account.

The purchaser may cancel the Reservation Agreement during the agreed reservation period. If that right is exercised the Reservation Fee should be refunded within 14 calendar days of receipt of the notice of cancellation.

The Reservation Fee should be refunded in full if the purchaser wishes to cancel the reservation for any reason within seven calendar days of signing the Reservation Agreement.

The purchaser should be told in advance by the Code Subscriber of any reasonable deductions that may be made from the Reservation Fee if the purchaser cancels at a later stage.

The reservation period may be extended by mutual agreement between the purchaser and the Code Subscriber. If the deadline date is not extended and the Contract of Sale has not been exchanged, the Reservation Agreement automatically expires.

If the reservation agreement expires the Reservation Fee should be refunded within 14 calendar days (less any reasonable deduction the purchaser was told about at the time the Reservation Agreement was made).

To avoid disputes over spoken statements immediately before Contract Exchange the Code Subscriber should ensure that the purchaser, through their legal representative, states in writing what spoken statements they are relying on when entering into the Contract of Sale.

Appointment of Professional Advisors

The Code Subscriber should advise purchasers to appoint an independent professional legal adviser (a solicitor or conveyancer) to carry out the legal formalities of buying the property and to represent their interests before Contract Exchange.

If the purchaser requires independent advice on appointing a professional legal adviser the Code Subscriber should be referred to The Home Owners Alliance website.

The Code subscriber should also advise purchasers to take independent financial advice if they need to obtain a mortgage to assist them in buying the property.

If the purchaser asks the Code Subscriber to recommend an advisor they should, where possible, be given a list to select from.

If the Code Subscriber has a relationship with or receives a commission for any recommendation this should be made clear to the purchaser. The Code Subscriber should also disclose the amount of the commission.

The Code Subscriber should provide the purchaser with the names, contact numbers, email and postal address of those people who will deal with any questions or problems the purchaser may have prior to the transfer of ownership of the property and who will deal with any complaint raised by them under the Code.

Contract Exchange

Contract of Sale

The Code Subscriber's solicitor should send the Contract and all relevant documents and approvals to the purchaser's independent advisor as soon as reasonably possible after the date of the Reservation Agreement.

Contract of Sale terms and conditions should;

- Use the Law Society's Standard Conditions of Sale as a template
- Be clear, fair and written in plain English;
- Comply with the Consumer Rights Act 2015;
- Clearly set out the process and timing for advising the purchaser of the date at which ownership of the property will transfer from the Code Subscriber to the purchaser on Completion; and
- Indicates the circumstances when the purchaser can terminate the Contract; and
- Indicates what will happen should there be a delay in construction and the property will not be ready for occupation by the purchaser by the date stated.

Completion & Handover

The purchaser should be given

- A realistic indication of the timescale for the construction of the property;
- Regular updates on progress throughout the build process; if any delays are incurred, the Code Subscriber is required to inform the consumer, indicating a new timescale for work to be completed.
- Any alterations to the construction need to be agreed with the consumer in writing.
- The date of transfer of ownership (Completion),
- The date of Handover,
- The opportunity to inspect the property

The right to terminate the contract

The purchaser should be told about their right to terminate the Reservation Agreement or the Contract of Sale.

Circumstances when a right to terminate exists include:

- Where the property has been significantly altered such that it directly or materially affects the value;
- When there has been excessive or unreasonable misrepresentation of features or amenities; or
- Excessive or unreasonable delay in finishing the construction of the property and serving notice to compete.
- A full refund of the monies is due to the consumer within 14 calendar days.

Deposit Protection and Insolvency

The Code Subscriber should explain how the Contract Deposits are protected and how any other pre-payments (such as reservation and administration fees) are administered.

The Code Subscriber should ensure that the prospective purchaser is made aware that the Reservation Fee and Contract Deposit is held in a deposit account in trust either by the conveyancing solicitor or the estate agent. Therefore, the Code Subscriber cannot access the funds until after completion of the contract.

The Code Subscriber should explain the terms under which any

- Reservation Fee or Contract Deposit is refundable,
- Administration fees or similar which may be deducted before a refund is made; and,
- Applicable costs or penalties in the event that the purchaser withdraws from the sales process at any time prior to the exchange of contracts

The Code Subscriber should also provide a written explanation of the purchasers' position in the event that they become insolvent.

Information on completion

The purchaser should be told whether an ABC+ Structural Warranty covers the property, has been issued, if issued the term of the policy, and if not indicate why it has not been issued.

The Code Subscriber should provide an information pack to the property owner which should include the following:

- The ABC+ Structural Warranty where available or an explanation with reasons as to why they are not available;
- A precis of the type of claims covered by the ABC+ Structural Warranty;
- Confirmation that the property meets the requirements of the current building regulations;
- Details of the inspections carried out on the property by Building Control and Warranty Body Inspectors;
- Confirmation that there has been no substitution of any construction product without the knowledge of the purchaser;
- The Code Subscribers Complaints Procedure;
- A checklist of matters covered by the Code;
- A simple guide to Dispute Resolution under the Code, and
- How to complain to the Financial Ombudsman Service (FOS).

Potential changes following the exchange of contracts

If a change occurs to the design, construction or materials relating to the property that will alter its value significantly, the Code Subscriber should discuss these changes with the purchaser and obtain their written agreement to any changes.

If the purchaser does not agree with those alterations they may cancel the Contract without loss of deposit or the withholding of any fees.

The purchaser should be told of any minor changes that do not significantly alter the size, appearance or value of the property. They should be advised to consult their professional legal adviser as to the effect of those changes under the Contract of Sale.

But, the Code Subscriber does not need the purchasers' agreement before implementing such changes.

Any changes requested by the purchaser that they agree to pay for that are not included in the Reservation Agreement or Contract of Sale must be agreed in writing by the parties.

This agreement should include;

- Cancellation and refund rights; and
- The likely impact on the date of the construction of the property and its availability for occupation.

Handover

The Code Subscriber should provide every purchaser with a schedule detailing timing of key stages including when the property is ready for occupancy.

General guidelines for timings and Completion should form part of the Property Information Pack, which should be regularly updated.

The Code Subscriber should ensure that all information on timings is accurate at the time it is provided.

Weather and shortage of materials are issues that arise that are outside the Code Subscribers' control and may result in delay to the construction of the property.

Occupying the property

When the Code Subscriber tells the purchaser when the property is likely to be completed and available for occupation depends on the build stage at the time the information is provided.

The Code Subscriber should follow an established method, such as:

- If the property is at the 'foundations stage' - Purchaser told the calendar quarter that it is likely to be ready;
- If the roof is on and the property is weatherproof - Purchaser told the month it is likely to be ready; and
- If decorated and main services are connected - Purchaser told the week it is likely to be ready.

The Code Subscriber should also inform the purchaser of any outstanding work on other areas of the development and an indication of the timescale for completion. At hand-over, the Code Subscriber should provide the purchaser with:

- A copy of the final inspection report carried out by the Code Sponsors surveyor and confirmation that the items listed have been remedied;
- An explanation of how appliances operate;
- Full details of guarantees/warranties that accompany the Home, such as;
- Tanking guarantees;
- Timber treatment guarantees;
- Ground remediation guarantees;
- Water Ingress warranty
- Any additional insurance documentation to cover the property.
- Operating systems such as but not limited to security systems, boilers, heat pumps
- Including an explanation of how long each guarantee or warranty lasts and any obligation that the purchaser must fulfil to ensure they remain valid;
- Full details of the after-sales service offered, including how long it lasts, contact names and numbers and what to do in an emergency; and
- Details of the Dispute Resolution Scheme.

The Code Subscriber should not

- Use high-pressure techniques in the selling of additional insurance products, warranties or guarantees.
- Misrepresent the costs of such products, what is or is not covered or their benefits.

If the Code Subscriber receives any commission for recommending any of these products, they should advise the purchaser and indicate the amount of commission received.

After Sales Service

The Code Subscriber should provide the purchaser with a comprehensive and accessible after-sales service pack.

The pack must contain;

- Contact details of the after-sales service team
- The process for handling emergencies;
- All Guarantees and warranties that apply to the property; and
- The duration of the after-sales service.

The Code Subscriber should be contactable by a free phone number or a national or local rate telephone number.

The guarantees, warranties and instruction manuals for components (e.g. boilers) and / or white goods supplied with the property but permanently fixed to the property should be given to the purchaser on Completion.

If the Code Subscriber needs to visit or carry out works on the property after it is occupied, then the following steps should be taken:

- An appointment is made that is convenient with the purchaser;
- If applicable, the appointment should be made when the purchaser's representative is available;
- If the representative is not at the property at the time arranged, then the Code Subscriber should rearrange the appointment with the purchaser; and
- The Code Subscriber must provide identification before entering the property.

During the visit to the property, the person attending should;

- Act in a professional and respectful manner at all times;
- Be considerate of the contents of all the contents of the property, in particular, laying protection for floor coverings; and
- If work is carried out, ensure all debris is cleared from the property and the area where work has been completed is clean and tidy.

The new owner should be told about the health and safety precautions they should take when living on a development where building work continues and the measures which the Code Subscriber implements in order to protect them.

The Code Subscriber should include a health and safety file for the property that is compliant with the relevant construction regulations in the after-sales service pack.

Customer Contact, Complaints and Disputes

The Code Subscriber should appoint a sufficient number of contacts who will:

- Update the Code Sponsor of any changes regarding contact details, including all business names, addresses, telephone and fax numbers and email addresses; and
- Be responsible for all matters relating to customer contacts, the internal complaints procedure and Dispute Resolution.

These contacts should have the authority to bind the Code Member during settlement negotiations with Consumers and with the dispute resolution service.

Code Subscribers responsibilities

Code Subscribers should adopt a written and/or online complaint procedure and ensure that it is followed and that it is made available to the purchaser in either of these formats as required.

The procedure should identify the principal contacts of the Code Subscriber who will oversee dealing with the dispute.

The Code Subscriber should

- ensure that all complaints are acknowledged within 7 calendar days and an attempt is made to resolve the issue within 30 calendar days.
- Provide a flowchart or similar document explaining how a complaint will be dealt with.
- Take responsibility for resolving the dispute in a timely and effective manner at all time

If the matter can not be resolved and is referred to the Alternative Dispute Resolution Service the Code Subscriber should cooperate with the ADR Service provider.

Dispute Resolution

If, after 30 days from the date of the Consumer's first written or online complaint to the Code Subscriber the purchaser may refer the matter to ABC+ and if suitable refer to dispute resolution. ABC+ may issue a Referral Notice to the purchaser to enable the purchaser to seek a Adjudication of the dispute from CEDR, the Dispute Resolution Service provider For ABC+.

The purchaser will have up to 12 months from the date of issue of the Referral Notice to apply to CEDR for Adjudication.

Adjudication

Once an application for Adjudication is received by CEDR, an assessment will be made in order to determine whether or not the Application meets the criteria for CEDR to consider it. These criteria are set out in CEDR's Independent Adjudication Service Rules.

If the Application can be considered by CEDR, the Code Subscriber will be given a period of 15 working days in which to settle the complaint, to object to CEDR considering it, or to provide its written defence to the Application. In the event that the Code Subscriber provides a written defence to the Application, the purchaser will be given a further opportunity to comment on that response.

Full details of the Adjudication process and applicable timescales can be found in CEDR's Independent Adjudication Service Rules.

In the event that the complaint proceeds to Adjudication, an Adjudicator will be appointed to consider the written submissions and evidence put forward by both parties.

If Adjudication is required, the aim is to make the decision within 60 working days of the Application being considered capable of review by CEDR

The Adjudicator will review all of the written submissions and evidence put forward by both parties and will make a decision as to whether the purchaser's complaint is successful or not. The Adjudicator's Proposed Decision will be sent to both parties, who will have 10 working days to comment on its contents, and then the Adjudicator will issue their Final Decision.

Final Decision: Acceptance, Refusal and Liability

When the Adjudicator's Final Decision is sent to both parties, the purchaser will be given a period of 20 working days to accept or reject it in full.

If the purchaser rejects the Final Decision (or does not accept it in full), it will not be binding on the parties. Any subsequent legal action is likely to take account of the Final Decision.

If the purchaser accepts the Final Decision in full, the Code Subscriber will be required to do what the Adjudicator has directed in the Final Decision. This can include any of the following:

- For the Code Subscriber to provide the purchaser with a written apology;
- For the Code Subscriber to provide the purchaser with one or more of its available products and/or services;
- For the Code Subscriber to take an action that they can reasonably carry out;
- For the Code Subscriber to pay the purchaser a sum of money that does not exceed 25% of the purchase price of the property, subject to a maximum of £50,000.00 (including VAT (if any)) (this sum includes any claims for compensation, refunds, credits and/or waivers);
- For the Code Subscriber to pay the purchaser a sum of money that does not exceed £1,000.00 (including VAT) for any distress and/or inconvenience that the purchaser has suffered as a result of the matters complained of;
- For the code Subscriber to be referred to the Disciplinary and Sanctions Panel.

Disciplinary and Sanctions

Any contravention of the Code may be investigated by the Code Sponsor and proportionate action may be taken.

After auditing if the Code Subscriber has fallen below 80% compliance on any aspect of the code and the Code Subscriber has not demonstrated how they intend to rectify the non-compliance, the matter will be referred to the Disciplinary and Sanctions Panel.

The Code Sponsor may investigate, without the prior consent from the Code Subscriber any potential breaches of the code. The Code Sponsor may refer these matters to the Dispute Resolution Service and subsequently to the Disciplinary Panel.

If the Code Subscriber is referred to the Disciplinary and Sanctions panel, they should cooperate fully.

Where required the Disciplinary and Sanctions Panel will be convened. The Panel will be led by an independent Chair and at least three other individuals meeting the following criteria:

- A construction expert

- An Insurance expert
- A consumer protection professional
- A Member of the Executive Board

Sanctions

Where a Code Subscriber has failed to comply with the Code the Panel will be asked to consider those breaches of the Code.

There are a range of sanctions which the Panel may, at its absolute discretion, may impose depending on the level of seriousness of the breach:

Re-Training

Where the breach is deemed to be of a minor nature by the Panel, they will require the Code Subscriber to identify those employees responsible for the breach and require them to participate in a training programme to ensure that they understand what they have to do to comply with the Code, that they take it seriously and learn lessons from their mistakes.

Any refusal to comply with this sanction will be treated as a serious contravention of the Code.

Administrative Penalty

An Administrative Penalty may be recommended by the Panel for serious breaches of the Code or repeated minor breaches of the Code and ABC+ Warranty commit to implementing the Panels' recommendations.

Serious breaches

If the Code Subscriber refuses to re-train its staff the Panel can recommend that a financial penalty is imposed of not less than £500 and not more than £2000. The actual figure determined by the Panel and dependent on the seriousness of the breach.

Other breaches of the Code determined by the Panel to be of a serious nature may also be subject to a fine in a sum to be determined by the Panel of not less than £1000 and not more than £5000.

A fixed fee of £500 will also be levied by ABC+ Warranty for reasonable expenses for dealing with the administration.

Repeated minor breaches

The Panel may in its absolute discretion also impose fines of not less than £500 and not more than £1000 on the Code Subscriber where there have been three or more minor breaches of the Code by a Code Subscriber in a calendar year.

Refusal to quote for new business

This is a serious sanction. Structural Warranty Insurance is a requirement of the Council of Mortgage Lenders now known as UK Finance. Any Code Subscriber who is refused insurance will find it very difficult to sell their property. But where the breach of the Code is deemed to be serious, the Panel can recommend that ABC+ Warranty refuse to quote for new business with the non-compliant Code Subscriber.

For the most serious contraventions of the Code (e.g. a refusal by the Code Subscriber to honour the payment of an award made at Adjudication), the refusal to quote will be for a period of 5 years.

In all other cases, the refusal to quote will continue for a minimum period of 2 years.

The Panel may also recommend that ABC+ Warranty notify other New Build Code Sponsors of this sanction.

Appeals against exclusion

Any Code Subscriber who has been excluded from the Code shall have 14 days from the date of suspension or exclusion to present an appeal in writing to the Disciplinary and Sanction Panel.

An Appeal against a decision of the Disciplinary and Sanctions Panel will be referred to an independent arbiter.

Ceasing to trade

Code Subscribers who enter administration, liquidation or otherwise cease to trade must advise the Code Sponsor immediately.

Where the Code Sponsor discovers that a Code Subscriber has ceased trading for any reason other than by notice, the client will be removed from the Code Register immediately.