

## Consumer Code of Practice

### Consumer Code for Home Builders

12<sup>th</sup> May 2026

#### BACKGROUND

The Consumer Code for Home Builders (CCHB) was developed in conjunction with the Office of Fair Trading and launched in 2010 to address issues identified in the Barker Report of 2008 relating to the sale and purchase of new homes. The Code has now been operating within the sector for over 15 years. At the time of launch only 46% of homebuyers were willing to recommend their homebuilder. The latest Home Builders Federation customer satisfaction survey indicates that 93% of homebuyers would recommend their builder to a friend, with 90% of consumers reporting satisfaction with the quality of their new home.

The Code sets the mandatory requirements that home builders must meet in relation to the marketing and selling of new homes together with their after-sales customer service obligations. The Code applies to homes covered by the UK's main home warranty bodies including NHBC, Premier Guarantee, LABC Warranty and Lockton Checkmate, and continues to cover a significant proportion of all new homes currently built within the UK.

The Code includes an independent dispute resolution scheme and registered developers are subject to ongoing monitoring and audit activity to assess compliance with the Code requirements. Sanctions are available where non-compliance is identified and may ultimately include suspension or removal from a supporting home warranty provider's scheme.

The Independent Dispute Resolution Scheme is provided by the Centre for Effective Dispute Resolution (CEDR), an independently accredited ADR provider. This provides homebuyers with access to a free and independent route for redress where disputes cannot be resolved directly with the developer. Developers are required to comply with decisions issued through the scheme within prescribed timescales and further escalation action may be taken where compliance is not achieved.

The administration and oversight of the Code is undertaken by the CCHB Management Board, supported by an Advisory Forum comprising representatives from organisations including the Chartered Trading Standards Institute, Citizens Advice, the Law Society of England and Wales, the Law Society of Scotland, UK Finance and other consumer, legal and industry stakeholders.

## **Audit Process**

All aspects of the Code were considered including:

- Member application and renewal processes
- Monitoring and audit activity
- Consumer complaints and ADR arrangements
- Enforcement and sanctions procedures

Particular focus was placed on:

- The effectiveness of monitoring and enforcement activity
- Consumer complaints and dispute resolution outcomes
- Sanctions and escalation processes
- Continuous improvement and lessons learned
- Ongoing operational effectiveness of the scheme

## **Summary**

The Consumer Code for Home Builders has been a member of the CTSI Consumer Codes Approval Scheme since November 2018 and has now operated within the new homes sector for over 15 years. The Code continues to cover a significant proportion of new homes built within the UK through the supporting home warranty bodies NHBC, Premier Guarantee, LABC Warranty and Lockton Checkmate. It is estimated by the Code Sponsor that approximately 12,000 developers are registered with the supporting warranty providers, and around 5,000 actively building at any one time.

The audit identified that the Code continues to operate a mature and well-established framework for consumer protection within the new homes sector. Evidence reviewed during the desktop audit demonstrated active monitoring arrangements, independent dispute resolution processes, ongoing engagement with developers and the operation of a credible sanctions and escalation framework where non-compliance is identified.

The audit also identified strong governance arrangements supported by active oversight from the Management Board, Advisory Forum and Disciplinary and Sanctions Panel. The evidence reviewed demonstrated a transparent and collaborative approach to compliance, with lessons learned arising from audits, complaints and ADR decisions being shared openly with both developers and stakeholders to support continuous improvement across the sector.

Consumer protection remains clearly at the centre of the Code's operational approach, governance arrangements and ongoing development, with evidence of

proactive engagement to identify emerging issues within the new homes market and strengthen protections for homebuyers where appropriate. This includes awareness of changes in the marketplace and the increasing complexity of the products and services associated with new homes, including renewable technologies such as solar panels and the wider consumer expectation of purchasing a lifestyle and ongoing living environment rather than simply a physical property.

The audit also demonstrated a strong understanding by the Code Sponsor of the operational practices of the supporting warranty bodies and the developers registered with them, enabling the Code to respond proportionately to sector risks, compliance challenges and emerging consumer issues.

The audit also confirmed that the Code continues to provide extensive guidance, training and support material to registered developers and associated stakeholders, together with the publication of lessons learned arising from audit activity and ADR decisions.

The audit confirmed that the Code Sponsor continues to actively monitor developments within the new homes sector, including potential future legislative and regulatory changes, and demonstrates a willingness to review and adapt the Code where appropriate to ensure ongoing consumer protection and sector relevance.

### **Developer Registration and Renewal**

Each supporting home warranty body operates its own registration and due diligence processes, developed in conjunction with the Consumer Code for Home Builders, to assess the suitability, solvency, technical competence and capability of developers before they are accepted onto their schemes. The evidence reviewed confirmed that this includes financial and background checks together with technical assessments of developers and their ability to meet the required construction and warranty standards.

### **Monitoring and Compliance Activity**

The audit confirmed that the Code continues to operate an active monitoring and compliance framework across the supporting home warranty bodies. Evidence reviewed demonstrated that monitoring activity is undertaken through a combination of technical inspections, desktop assessments, onsite audits and review of ADR outcomes.

The evidence reviewed demonstrated that monitoring and compliance activity remains aligned to the requirements of the Code and supported by ongoing oversight from both the supporting warranty providers and the Code Sponsor.

In addition to the monitoring undertaken by the warranty providers, the Code continues to operate a programme of desktop self-assessment audits together with independent onsite visits to sales offices and developments. These activities are undertaken by Chartered Trading Standards Practitioners through arrangements with CTSI. The audit confirmed that this monitoring activity remains proportionate to the size and

nature of the scheme and is delivered in accordance with the Code's planned monitoring arrangements.

The evidence reviewed also demonstrated that the outcomes and lessons learned arising from this monitoring activity are actively used to inform ongoing improvements to the operation and development of the Code.

The audit also confirmed that every decision issued through the Independent Dispute Resolution Scheme is reviewed by the Code Sponsor. Where breaches of the Code requirements are identified, developers are contacted and required to provide details of the actions they will take to address the issues identified and prevent recurrence.

Examples of audit findings, compliance correspondence and engagement with developers were reviewed during the desktop audit and confirmed that the monitoring and escalation processes continue to operate effectively in practice.

### **Consumer Complaints and Dispute Resolution**

The audit confirmed that ADR decisions identifying breaches of the Code continue to be reviewed by the Code Sponsor and subject to escalation where appropriate.

Evidence reviewed demonstrated that developers are required to address identified breaches and implement measures to prevent recurrence. Where necessary, escalation correspondence is issued directly to the Chief Executive Officer of the relevant housebuilder to ensure accountability at senior management level.

The Disciplinary and Sanctions Panel continue to provide active oversight of ADR outcomes, complaint trends and wider compliance issues arising from the operation of the Code. The Panel reviews emerging themes and lessons learned, with this analysis feeding directly into the ongoing operation and development of the Code.

Examples of correspondence and engagement with developers confirmed that the escalation and intervention processes continue to operate effectively in practice.

### **Enforcement and Sanctions**

The audit confirmed that the Code continues to operate a credible enforcement and sanctions framework where non-compliance is identified. Sanctions available through the supporting warranty providers include the withholding of certificates of insurance together with suspension or removal from the relevant warranty scheme. Evidence reviewed during the audit confirmed that developers require warranty certification in order to market and sell homes and that removal from a supporting warranty provider's scheme may significantly impact their ability to continue trading. Examples of escalation correspondence and removal action demonstrated that these measures continue to provide a strong incentive for compliance.

Oversight of non-compliance and enforcement activity continues to be provided through the Disciplinary and Sanctions Panel together with reporting to the Management Board.

The audit also reviewed the operation of the non-compliance inconvenience charge introduced in relation to delays in complying with ADR awards. Evidence reviewed indicated that the process has strengthened incentives for timely compliance and provided additional protection for affected consumers.

Examples of enforcement correspondence and compliance intervention confirmed that the sanctions and escalation processes continue to operate effectively in practice.

## **Support for Businesses**

The audit confirmed that the Code continues to provide a broad range of guidance and support material to developers and associated stakeholders to assist with understanding and complying with the requirements of the Code.

Evidence reviewed demonstrated the availability of online training resources, guidance documents, case studies, lessons learned publications and other educational material designed to support compliance and continuous improvement across the sector. The audit identified that these materials are presented through a range of appropriate formats and media suited to their intended audiences, demonstrating a considered and proactive approach to industry engagement and communication.

The audit also identified a proactive approach to sharing learning arising from audit activity, complaints and ADR decisions through publications and resources made available via the Code's website and associated platforms.

## **Continuous Improvement**

The audit identified clear evidence of ongoing review and development of the Code in response to emerging consumer issues, sector developments, legislative and regulatory change, and lessons arising from monitoring, complaints and ADR activity.

Evidence reviewed confirmed that supporting guidance and implementation materials continue to be developed and made available to assist developers and stakeholders in understanding and complying with the requirements of the Code.

The evidence reviewed demonstrated a mature and reflective approach to governance, with the Code Sponsor continuing to monitor developments within the sector and adapt operational practices and Code requirements where appropriate to maintain consumer protection and sector relevance.

## **Compliance with ADR Decisions**

The audit reviewed the arrangements in place for monitoring compliance with decisions issued through the Independent Dispute Resolution Scheme. Evidence reviewed confirmed that escalation procedures are in place where delays in payment or compliance are identified, including direct engagement with senior representatives of the relevant developer where appropriate.

The evidence reviewed demonstrated that these arrangements continue to provide additional oversight of delayed compliance and support improved outcomes for affected consumers.

## **Conclusion**

The audit identified that the Consumer Code for Home Builders continues to operate a mature and well-established consumer protection framework within the new homes sector.

Evidence reviewed during the desktop audit demonstrated active monitoring arrangements, accessible dispute resolution processes, effective governance oversight and a credible sanctions and escalation framework where non-compliance is identified.

The audit also identified a strong emphasis on continuous improvement, transparency and stakeholder engagement, together with clear awareness of emerging consumer protection issues, legislative developments and changing market practices affecting the sector.

The governance arrangements supporting the Code, including the Management Board, Advisory Forum and Disciplinary and Sanctions Panel, continue to provide effective oversight of the scheme and support the ongoing development and operation of the Code.

Based on the evidence reviewed, the Consumer Code for Home Builders continues to remain fit for purpose and compliant with the requirements of the CTSI Consumer Codes Approval Scheme.