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## Associated Retirement Community Operators Ltd (ARCO)

### Code of Practice

**Audit May 2026**

#### Background information

Associated Retirement Community Operators Ltd (ARCO) is the trade association and self-regulatory body for the Integrated Retirement Community (IRC) sector in the UK. ARCO was founded in 2012 by a group of IRC operators. Their members include for-profit, charitable and not-for-profit providers, including some registered providers of social housing. The Code is applicable to operators of Integrated Retirement Communities in the UK (also known as housing-with-care, retirement villages or extra care housing). ARCO's membership represents about half of all IRC provision in the UK. ARCO is dedicated to meeting the housing, support and care needs of the UK's ageing population. Their vision is for 250,000 people to live in IRCs by 2030.

Membership is confined to operators who remain involved in the long-term service provision in their schemes, rather than an absent freeholder model. Properties are self-contained with security of tenure and are either purchased, rented or shared ownership. With an IRC the core of the purchase/rental is the property sale or rental but there would also be a substantial service offer included with 24-hour staffing, facilities like restaurants & leisure, informal support and regulated personal care available on site.

ARCO's Consumer Code was first published in 2015 and has been updated several times, most recently in 2024. The Code received CTSI Approved Code Stage 1 approval in 2024 and Stage 2 in 2025. At the audit date there was 24 members of the Code. ARCO continually strives to promote confidence in the sector, they seek to ensure that all members and the sector as a whole, provide a high quality service to their residents.

## **Audit Process**

A qualified Trading Standards Practitioner from the Chartered Trading Standards Institute carried out the desktop audit.

The audit focused on the following areas:

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

## **Member Application Process**

IRC operators often get in touch with ARCO at a very early stage of their planned development and the suitability of the development for membership will be discussed.

To qualify for membership IRCs must offer the following:-

- Be primarily for older people;
- Self-contained accommodation, occupied with security of tenure;
- Personal care available on the premises, usually by staff based on the premises;
- On-site staff, available 24/7;
- Meals must be available;
- Communal facilities to facilitate an active social programme;
- The aim to offer people a home for life and to enable people to 'age-in-place'.

The ARCO Accelerator Programme is for organisations planning entry into the IRC market that do not currently operate an IRC in the UK. Taking part in the ARCO Accelerator programme does not mean that organisations will automatically become full members. Once an Accelerator Member begins marketing their community, they must apply to be a prospective member and are then subject to the Consumer Code. Accelerator Members must inform ARCO at least 6 months before they begin marketing their first community.

As part of the application process, existing IRCs or new communities in the final stages of development, will liaise with ARCO's compliance team and undergo a compliance review, carried out by ARCO's independent reviewers (The Consultant Connection). The potential member will be provided all necessary guidance to achieve compliance. The independent assessor can provide additional support, on a chargeable basis, to help the potential member raise their standards and embed good practice. If the

potential member is not in compliance with the Code, they are given a timeline to complete any changes.

ARCO will complete its own due diligence e.g. Companies House search, all correct registrations are in place, monitoring via Creditsafe etc

The application and the report from the independent assessor is reviewed by ARCO who then recommend to the ARCO Standards Committee whether or not to grant Approved Operator status. If the application is found to be compliant as required, it will then also be reviewed by the ARCO Board. The board takes into account any reputational risk to ARCO and the sector as a whole prior to accepting the applicant as a member.

A number of organisations have applied to join ARCO since 2020 but have been turned down or have not pursued application through to formal decision. The reasons for this vary from no responsibility taken by the operator for service provision, reputational concerns, insufficient security of tenure or did not meet minimum service levels regarding care provision/meals.

An anonymised prospective member audit was supplied for the purposes of the audit and is in line with ARCO's processes.

## **Member Monitoring**

ARCO have developed a suite of measures to monitor that their members are compliant with the Code and its principles.

In 2024/25 (Sept-Aug) all members were subject to a programme of compliance assessments consisting of the annual process of registration and declaration of compliance, a self-assessment audit and the programme of independent assessments.

Each year members must provide details of each IRC they operate that meets ARCO's membership criteria. This includes all communities under construction and/or are being actively marketed. Members must certify that they will operate their ARCO registered IRCs according to the principles set out in the ARCO Consumer Code. They must agree to be bound by the principles of the Standards and Compliance Framework and certify that any recommendations made in the previous assessment period are being implemented. The Code requires that members audit their compliance once a year. An Internal Audit Checklist is provided in the ARCO Academy.

Under ARCO's new compliance process - 2025/26 onwards - compliance reviews are carried out by their independent expert reviewer and include examination of a broad range of member marketing and sales/lettings collateral (online and hard copy),

complaints policies and logs etc. Members receive a review report with recommendations where areas for improvement are identified, and an Action Plan is then agreed with the member to achieve this.

Previously Approved Operators operating just one community were assessed once every two years (with a desktop audit in the intervening year) and all other Approved Operators every year; in the new process all members will complete the compliance review process every year. Three ARCO members have one site, most members have 6 – 10 sites, with some having up to 40.

The number of communities assessed for each member varies, depending on the number registered with ARCO, according to the table below.

Communities	Assessments	Communities	Assessments
1–5	1	16–20	4
6–10	2	21–25	5
11–15	3	>25	6

In the 2024/25 compliance process members received an assessment report that set out any necessary actions to achieve compliance along with any good practice recommendations. In order to retain ARCO membership, members must respond to the assessment report, setting out how they will address the compliance actions, and subsequently satisfy the assessor that they have achieved all outstanding actions. Members will also be expected to certify that they will implement any compliance recommendations across their portfolio. If a member is not happy with a recommendation made by the assessor, they can ask for the issue to be brought to the Standards Committee for decision. Before the issue reaches the Committee, ARCO’s Executive may make non-binding recommendations to the member to resolve the compliance dispute.

In the year September 2024 – August 2025, 22 assessments (47%) were carried out on-site and the rest were online/desktop audits. ARCO worked with their external consultants to conduct the assessments and advise the ARCO Executive and Standards Committee of all results and recommendations for Approved Operator status.

In the year September 2025 to August 2026 ARCO have been piloting a new approach to compliance monitoring to include mystery shopping undertaken with independent

mystery shopping consultants MORICON. The monitoring now includes annual compliance review activity for members, independent expert review of evidence, self-assessments and action planning with members. The revised approach is intended to make reviews more proportionate, evidence-based and outcome-focused while maintaining independent scrutiny.

### **Membership Withdrawal & Sanctions for Non-Compliant Member Businesses**

The Code provides for a disciplinary and sanctions panel of the ARCO Standards Committee to be convened if necessary and it is empowered to consider any allegations of a breach of the Code.

When sitting as the disciplinary and sanctions panel the Standards Committee will be comprised of an independent Chair, up to five senior officers of ARCO Approved Operators, and as many additional independent members as necessary to ensure that there is a majority of independent members. Any additional independent members required will be drawn from the pool made available by the Chartered Trading Standards Institute or if this is not possible, will be recruited on an ad hoc basis by ARCO.

If any ARCO member failed to cooperate or to implement a decision of The Property Ombudsman this would be referred to the ARCO Standards Committee.

The Standards Committee also has the power to consider any allegation of a breach of the Code referred to it by ARCO (at ARCO's sole discretion) or by The Property Ombudsman for failure to implement a remedy or failure to meet their contractual fees.

Prior to commencing any meeting, the Committee will ensure that each of its members has no conflict of interest or involvement with any of the parties involved.

If the Standards Committee finds that a breach of the Code has occurred, it may:

- (a) issue a formal warning;
- (b) suspend the Approved Operator, Provisional or Prospective membership for a fixed period;
- (c) require the member to take additional measures either temporarily or permanently; to change, modify or establish an operating practice, to provide remedies to an identified group of consumers or to implement a remedy as directed by the Property Ombudsman and/or settle fees due to the Ombudsman as a condition of continuing membership;
- (d) in the case of serious or repeated compliance failures, terminate membership.

There has been no disciplinary or sanctions panel activity in the period covered by this report.

## **Marketing and Advertising by Member Businesses**

The Code requires that the content of all sales and marketing material published about IRCs is:-

- (a) legal, decent, honest, and truthful;
- (b) up to date, clear, accurate, consistent, and makes no significant omissions;
- (c) contains nothing that is, or could be held to be, confusing or misleading;
- (d) accurately represents the actual or intended nature of the IRC in terms of tenure arrangements, charges, care provision and residents;
- (e) makes no unclear, inaccurate, confusing, or misleading comparisons with other operators;
- (f) complies with all relevant advertising codes of practice and with relevant legislation and guidance.

Members must review any advertisements produced by external estate agents and/or care or property portals acting on their behalf to ensure compliance. They must also review, so far as is reasonably practicable, other advertisements or listings produced by portals and/or on behalf of individual vendors and should draw any substantive errors or omissions to the attention of the relevant portals, estate agents and/or vendors for amendment.

Whenever the price/rent for a property is stated, it must also state any other fees (e.g. event fees, service/management charges, ground rent) that are payable. All material information should be included in property listings. With a new development, once prices have been decided, the asking price or price range must be included, not “price on application” or “POA”.

In their online academy, ARCO provide Guidance for Members on Listing Sales Properties on Web Portals, Guidance for Members on Listing Rental Properties on Web Portals and Template Guidance for Estate Agents Marketing Sale Properties at IRCs.

The ARCO Marketing and Sales Workshop in March 2025 included details of the Code, the requirements from the ASA and an update on the Digital Markets Competition and Consumers Act 2024.

Members must respect any consumer’s wish not to receive unsolicited visits, canvassing, mailshots, emails, text messages or telephone calls at their home. When

invited into a consumer's home, the member must not engage in any high-pressure selling techniques, including but not limited to befriending vulnerable consumers in order to sell (or let) to them at a later date. Member employees must leave immediately if requested to do so or as soon as it becomes apparent that the consumer is not interested in the IRC.

Members must state in all sales and marketing literature, including websites, that they are approved operators of the ARCO Code. Members are provided with the ARCO Approved Operator and CTSI logos. The Approved Operator Certificate must be displayed in all communities, areas that relate to the process of selling new homes, for example the sales office and selling agents' offices. The ARCO on-site monitoring audits include checking that the certificate is displayed as required.

As part of the assessment/compliance review process and mystery shopping it is checked that these are present. It is also checked that there is a link online to the ARCO Consumer Code from the members' website. The Code also requires that a copy should be available via the member's website and in hard copy free of charge. The self-assessment audit requires the member to confirm that all information provided to prospective customers complies with Section 4 of the Code – Marketing and Advertising.

### **Terms and Conditions and other Pre-Contractual Information**

The Code Section 6 sets out requirements for Contracts and Terms and Conditions that members must provide. ARCO also provide guidance on the Key Facts documents to be provided to consumers interested in their properties. If members need additional advice on what the Key Facts document needs to contain they can contact ARCO directly.

The Code lists the details that should as a minimum be included in the members occupancy agreements. This includes any fees and how they change, fees payable upon selling the property, arrangements for maintaining and repairing the property, what modifications may be made to the property, any conditions that apply to the keeping of pets and the circumstances in which either party may terminate the lease or tenancy.

ARCO provides a useful Documents Checklist for members to refer to.

To date no issues in this area have required referral to the disciplinary and sanctions process.

## **Customer Service Provisions**

Members are required to ensure that all relevant staff have completed the training in the ARCO Code.

For new properties, members must give incoming residents a realistic completion or moving in date and provide as much notice as possible of any delays. At handover the member must detail how all key services operate, demonstrate appliances and provide information on the roles and responsibilities of staff and their customer service arrangements including who to contact for assistance.

Members must maintain appropriate and effective customer service arrangements via a variety of appropriate methods, including a postal address and will not require contact via premium rate telephone lines.

A clear process for consulting and responding to any recognised residents' association must be developed and, where there is no such association, residents will be consulted regularly. The member must respond positively to any requests from residents for consultation. The member should invite feedback, at least annually, from residents on the facilities and services provided, including those provided by third parties and report on the findings with any resulting actions.

Members should encourage employees to welcome all forms of feedback distinguishing between service requests and complaints. Service requests should be recorded, monitored and reviewed regularly and complaints dealt with under their complaints procedure.

## **Consumer Complaints Process**

Members must have a written procedure for handling and resolving complaints. The procedure must be readily available to customers and residents both online and in hard-copy. It should include full contact details for relevant members of staff and include a clear timetable for dealing with complaints. The member should make customers and residents aware of the role of the approved ADR provider, the Property Ombudsman, in resolving disputes. Where a final response to a complaint is issued either the member or the complainant may refer the dispute to the Property Ombudsman. It should be made clear that any referral does not prevent the complainant from taking legal action.

The complaints procedure should be available to view and take away if wished by customers when viewing properties. A complaints log should record the date, nature and progress of any complaint. A template complaints log is provided in the ARCO Academy.

## **Customer Satisfaction and Feedback**

Members are required to invite feedback from residents in relation to their IRC facilities and services, including those provided by any third parties, in an Annual Resident Survey. The findings and any resulting actions should be reported to the residents. If any suggestions cannot be acted upon an explanation of why not should be included.

During compliance assessments members will be assessed on their regular feedback surveys and the reporting back to residents. Specific examples are provided in the audit report along with resolution dates in relation to any issues raised.

## **Conclusion**

ARCO continue to provide advice and guidance for their members. They hold a programme of events and webinars which includes Code and compliance training and this year delivered a session entitled “Unlocking Consumer Trust: CTSI Approval for the ARCO Consumer Code” the ARCO Conference in July 2025.

ARCO strive to promote confidence in their sector by setting rigorous standards and monitoring member compliance with those standards thus driving best practice.