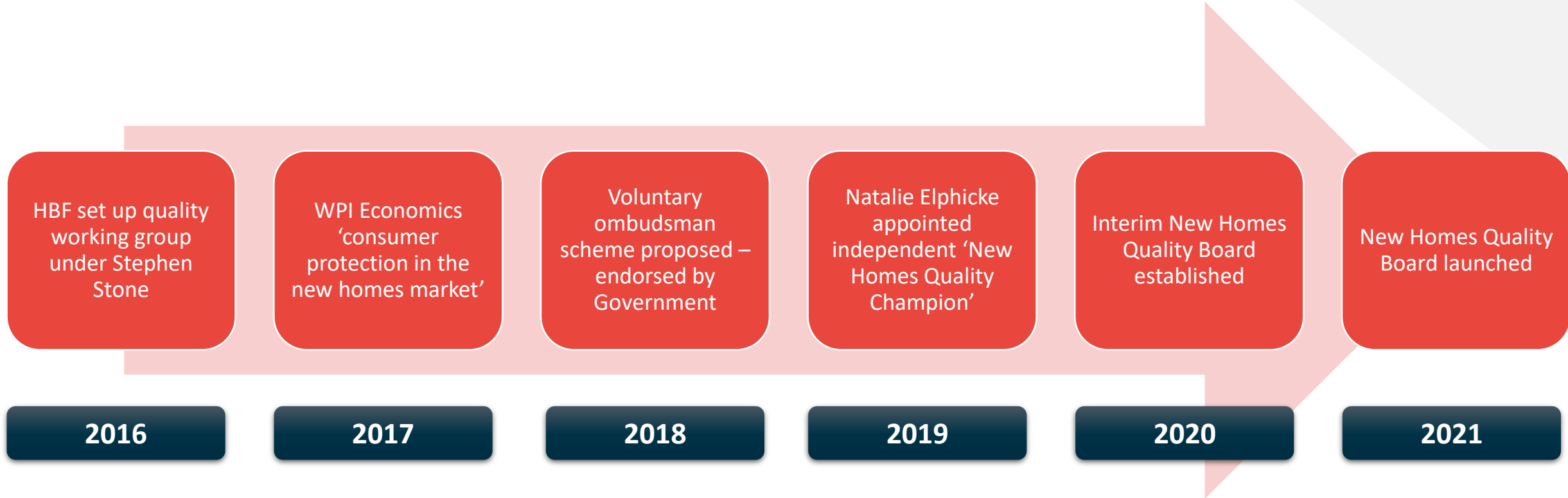




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How did we get here?



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The New Homes Quality Board

Constitutionally independent body, guided by the principles of independence and transparency that will champion arrangements with regards to new home quality and consumer redress

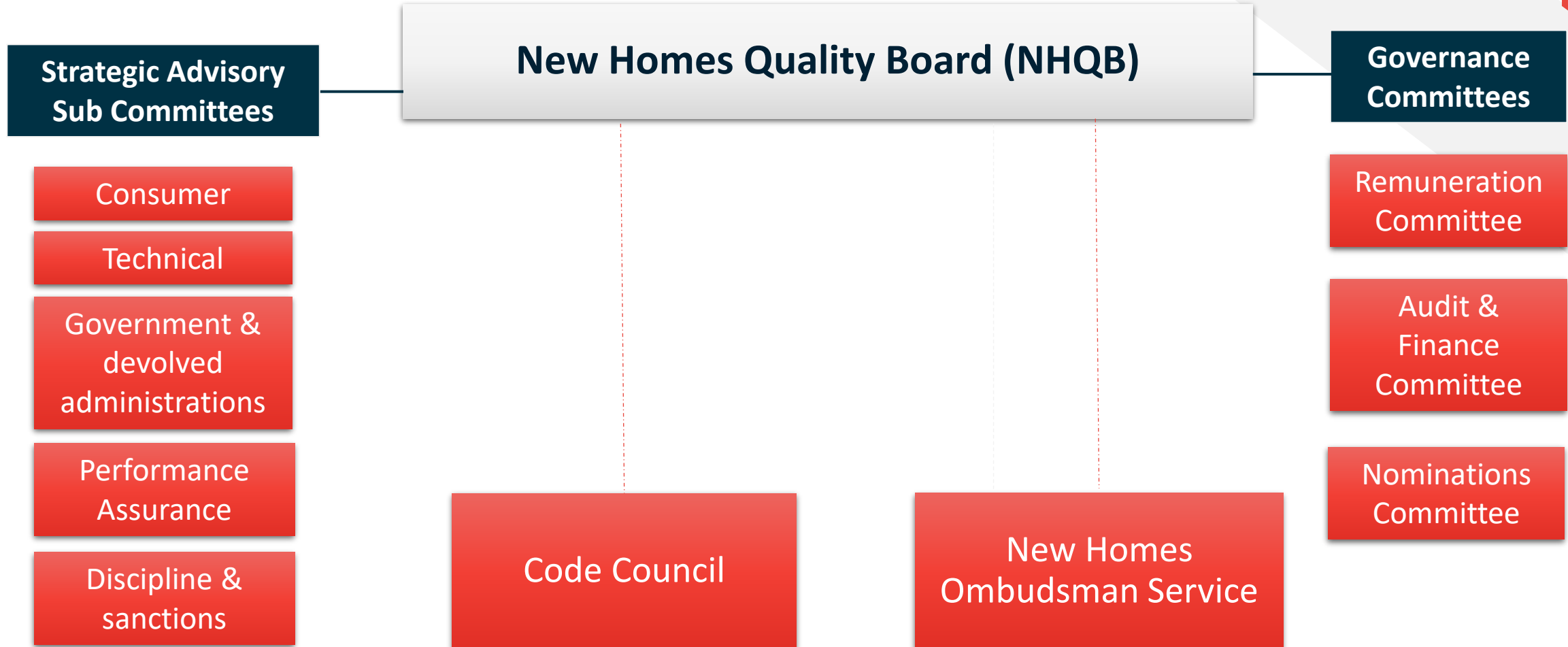
Three key objectives:

- Oversee the introduction of a new industry code of practice – **The New Homes Quality Code**
- Appoint a **New Homes Ombudsman Service** to provide independent redress
- Require the **registration of all builders** of new homes



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NHQB Structure



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New Homes Ombudsman

Procurement

- Following a public procurement process, The Dispute Service was selected as the preferred partner

Accreditation

- Application approved by the Ombudsman Association in Feb 22

Mobilisation

- Work underway to setup all the systems, procedures, training and finalise scheme rules

Launch

- Operational from May 2022 (subject to developers activating under the new framework)



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The New Homes Quality Code



Developed following extensive engagement over 4/5 years



Builds on existing Consumer Codes



Fills gaps in the current arrangements



Scope is initially private homes for owner occupation only



Principles based approach – treating customers ‘fairly’



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Ten Guiding Principles



Key changes:

Sales Process

- Protects vulnerable customers
- 14 day cooling off period
- Information provision, incl future management & service costs
- Early bird – max £150. Customer has 24 hours to cancel.

Opportunity for pre-completion inspection

- A 'finishing' survey
- By an accredited individual
- Using a standard checklist
- Informed by the Snagging Committee work

Aftersales management

- Builder must have effective after sales service in place;
 - Work with customer to identify any snags
 - Expected these will be addressed within 30 days
- Publish procedures & timescales
- Builder must have a complaints system that includes key milestones;
 - 5 days – acknowledgment
 - 10 days – path to resolution
 - 30 days – assessment
 - 56 days – final response

New Homes Ombudsman Service (NHOS)

- Customers will have the option of escalating their complaint to NHOS after 56 days
- Customers referred back to developer if they haven't exhausted complaints process
- If found in breach, three potential remedies:
 - Apology
 - Rectification
 - Compensation/goodwill payment
- Total max payment of £75k

Remit and funding

Ambition is for arrangements to be UK wide

- Positive discussions with Westminster, Welsh & Scottish Governments

All builders of new homes to register

- Homes England making it a requirement of new Help to Buy scheme
- Working with lenders / warranty providers to require registration
- JVs / SPVs to be included within main Developer registration

Building Safety Bill will enable Government to put statutory arrangements in place

- Royal assent received in April 2022. Gov can determine when to make it a legal requirement for builders to be part of an Ombudsman scheme

All arrangements to be paid for by industry via;

- Annual registration fee
- In future this will shift to a fee for referrals to the Ombudsman



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Fees

- Annual fee that covers registration with NHQB and access to the Ombudsman
- Fee is based on turnover from **private plots in your last financial year**
- The largest developers will pay £200k per year and the smallest, just £1k
- Initially there is the ability to pay either one single payment up front, two payments six months apart, or quarterly
- Also setting up an alternative option of monthly direct debit
- Payment in full within 30 days will get a prompt payment discount

Assets available following registration

- Access to online training module for employees/agents
- Logo files and brand guidelines
- Template reservation form
- Template pre-completion inspection checklists
- Template complaints responses
- Template statement of incomplete works
- Template Complaints Handling Procedure
- Template Statement of Aftersales Procedures
- Template Affordability Guide
- Template invitation to pre-completion inspection
- T&Cs for Sales Agents
- Developer readiness checklist

Registration Timescales

Soft launch
in Feb 22

Initially by
invitation
only

Starting with
largest
companies

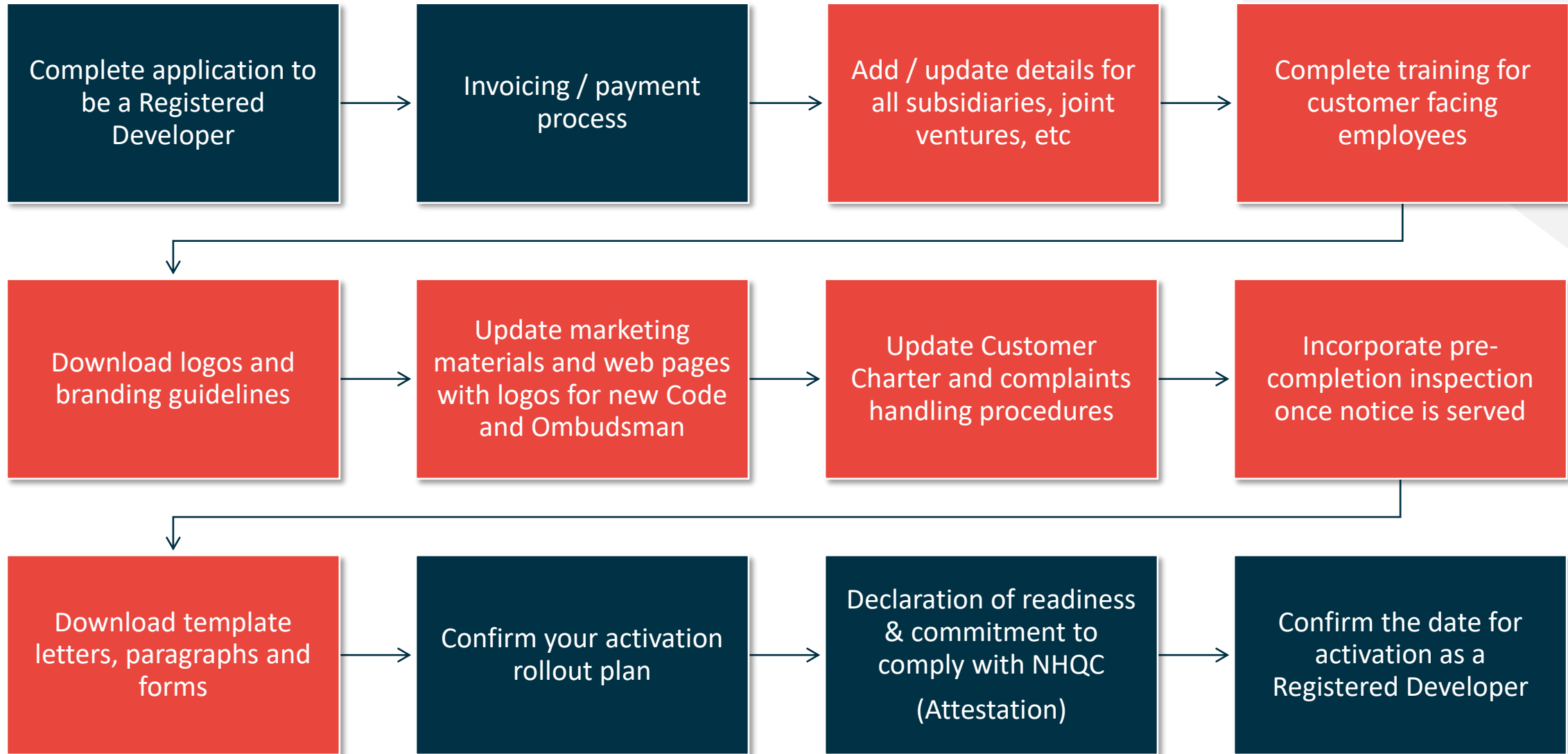
Open for all
developers
during May
22

All builders
to apply by
Dec 22



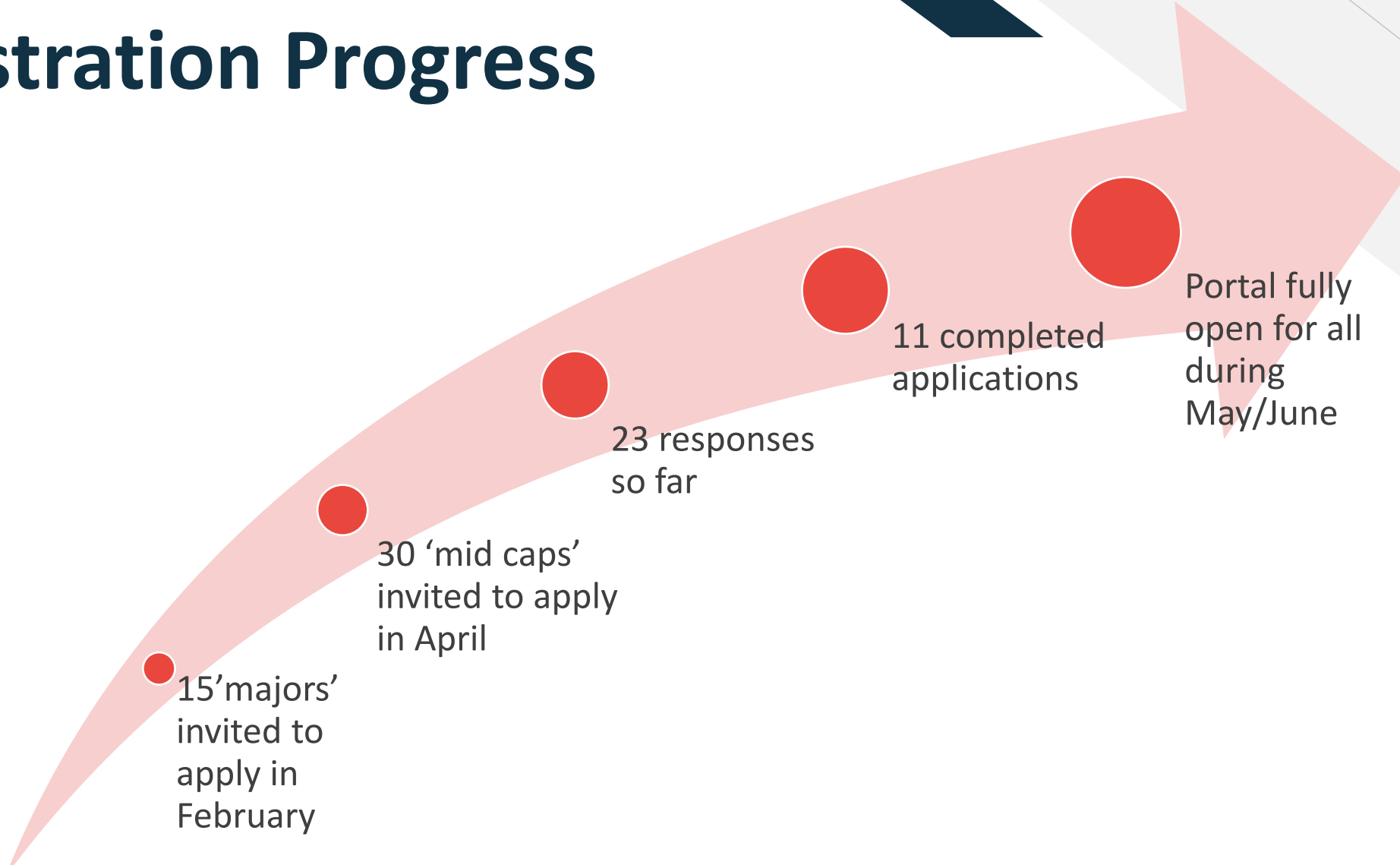
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Registration process



**Items in red can be completed in any order*

Registration Progress



A large, light red arrow pointing from the bottom left towards the top right, representing the registration progress. The arrow is filled with a light red color and has a darker red outline. It is positioned over a background of grey and white geometric shapes. The arrow's path is curved upwards, starting from a small red circle at the bottom left and ending at a larger red circle at the top right. The text labels are placed along the arrow's path, with each label corresponding to a red circle of increasing size.

15 'majors'
invited to
apply in
February

30 'mid caps'
invited to apply
in April

23 responses
so far

11 completed
applications

Portal fully
open for all
during
May/June



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Conclusions

Arrangements expected to deliver a step change in behaviours

Some challenges ahead as new arrangements bed in

Ultimately will improve industry reputation and perception for all audiences



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