

compariqo

Consumer Code

FOR BUILDERS AND DEVELOPERS

THIRD EDITION - March 2024

Compariqo's Consumer Code for Builders and Developers of New and Newly Converted Homes in England, Wales, Scotland and Northern Ireland.





COMPARIQO™

CONSUMER CODE

FOR

BUILDERS AND DEVELOPERS

Compariqo's Consumer Code for Builders and Developers of New and Newly Converted Homes in England, Wales, Scotland and Northern Ireland

3RD EDITION: MARCH 2024





Welcome to Compariqo's Consumer Code for Builders & Developers

Promoting Standards of Practice to Protect Consumers

Compariqo's Consumer Code for Builders and Developers ('The Code') is promoted by Compariqo Limited (Compariqo™), one the U.K.'s providers of Structural Home Defects Insurance (often referred to as a "Structural Warranty").

The Code was established on 1st August 2021 to advance certain standards of practice, in respect of the marketing, selling, purchasing and aftersales service in respect of new homes in the United Kingdom, by requiring builders and developers and their Agents, who are listed on a Warranty Providers Membership Register, to adhere to The Code.

Compariqo, as Sponsor and promoter of The Code, will ensure that it is consistently implemented and will monitor its effectiveness. Registered Members who agree to adhere to the provisions of The Code include respected local builders and significant national building companies, sole traders and award-winning PLC development corporations alike, all of whom sell their homes with the benefit of a structural defects insurance policy.

Where a Registered Member is found to be in breach of the standards set out in Compariqo's Code, Compariqo can and will apply a range of sanctions, including removal of the Member from the Membership Register. Compariqo has built its own reputation and success on delivering high levels of service coupled with innovation, decisiveness and transparency. Compariqo brings these attributes to this important consumer protection initiative.

Over and above the protection and security afforded by a Structural Home Defects Insurance Policy, The Code provides consumers with redress and easy access to a free Dispute Mediation Service (DMS) and an Alternative Dispute Resolution Scheme (ADRS), for any complaints that may be levelled against a Member within two years of the date of the policy certificate being issued.

The Code also benefits second and subsequent Buyers of the Home in respect of after sales matters reported within two years from the start of the structural defects cover.

Nothing contained within The Code affects a Buyer's existing legal rights and does not replace any existing legislation regarding the sale and marketing of Homes to consumers.

What Consumers Can Expect

Compariqo is determined to ensure that:

- All home buyers are treated with fairness and respect by Registered Members and their Agents;
- Any Vulnerable Consumers will be afforded appropriate support to help assist them through the home buying process;
- Individuals and families will be provided with reliable information to allow them to make informed decisions when standing at one of life's most significant milestones i.e. when purchasing a new home;
- Buyers will know what standards of construction and service to expect from Registered Members; and
- Irrespective of the Buyer's individual circumstances, they will be well informed and have access to mechanisms designed to deal with any problems that may arise after handover.



Table of Contents

1	What The Code Covers	10
1.1	The Status and Scope of The Code	10
1.2	When The Code Does Not Apply	10
1.3	Contact Information	12
2	Adopting The Code	13
2.1	Mandatory Compliance with The Code for all Members	13
2.2	Making Sure Consumers Have Access to The Code	13
2.3	Upholding Customer Service Standards	13
2.4	Training of Customer Service Staff	14
2.5	Sales & Advertising Standards	15
2.6	Identifying and Responding to the Needs of Vulnerable Consumers	16
3	Pre-Contract Stage - Before the Sale of a New Home	18
3.1	Importance of Obtaining Professional Advice	18
3.2	Pre-Purchase Information	18
3.3	Contact Details, Communications and Questions	19
3.4	Structural Defects Insurance Cover	19
3.5	Health and Safety – Visitors to Sites Under Construction	20
3.6	Reserving a Home	20
3.7	Part Exchange Schemes	22
4	Exchange of Contracts Stage - Entering into a Contract for a Home	22
4.1	The Contract of Sale	22
4.2	The Timetable for Construction and Completion	23
4.3	Termination Rights	23
4.4	Alterations and Changes to the Home after Contract	23
4.5	Protecting Buyers' Deposits and Pre-Payments	24
4.6	Information on Completion	25
5	Post Handover Stage – In Occupation of a New Home	26
5.1	Handover and Occupation of a New Home	26
5.2	Promoting Excellence in After Sales Support	26
5.3	Health and Safety – Living on Construction Sites	27
6	Helping to Resolve Complaints & Disputes	28
6.1	Cooperation with Professional Advisors	28





6.2	Definition of a Dispute.....	28
6.3	Complaints Procedure	28
6.4	Mediation Under The Code.....	29
6.5	Escalation of A Dispute to The Alternative Dispute Resolution Scheme.....	30
7	Disciplinary and Sanctions Procedure	33
7.1	Improvement Program.....	33
7.2	Financial Penalties	33
7.3	Suspension of a Member from The Membership Register	33
7.4	Removal of a Member from The Membership Register	33
8	Monitoring the Effectiveness of the Code.....	34
8.1	Member Reporting Requirements	34
8.2	Compariqo’s Commitment to Continuous Improvement.....	35
8.3	Summary of Compariqo Code Monitoring and Risk Regime.....	37
8.4	Goals and Key Performance Measures in the Code	39



Understanding the Terms used in this Document

Adjudication	The process by which an independent Adjudicator reviews evidence and statements presented by opposing parties under the Alternative Dispute Resolution Scheme described in Section 6.5 below.
Adjudicator	The independent Adjudicator appointed pursuant to the Alternative Dispute Resolution Scheme described in Section 6.5 below.
Administration Fees	Fees incurred by the Member pursuant to the Member's reasonable administrative costs and the management of the property during the Reservation Period.
Agent	A person, sole trader, partnership, company or other organisation (such as an Estate Agent) who is authorised to act on behalf of the Builder or Developer to create a legal relationship with the Buyer.
Alternative Dispute Resolution Scheme (ADR)	The independent adjudication scheme operated on behalf of Compariqo by The Property Ombudsman.
Applicant	A person, company or firm that completes an Application. Applicants may be either a Builder(s) or Developer(s) undertaking a one-off or multiple Construction Projects.
Application	The completion of a membership form by an Applicant relating to the Membership Register. This definition is also deemed to mean an application for membership renewal relating to the Membership Register.
Approved Inspector	A person, sole trader, partnership, company or other organisation authorised to carry out building control work under the Building Act 1984 or equivalent legislation in the territory in which the Home is located and/or the Construction Project is undertaken.
Builder	A person, sole trader, partnership, company or other organisation that builds Homes, and is a Member.
Building Control Authority	An authority charged under statute with the implementation of Building Regulations or similar function of building control in the territory in which the Member operates or in the territory in which the Construction Project is undertaken.
Building Regulations	The statutory building regulations in force in the territory in which a Home is situated or the Construction Project is undertaken at the time the plans or documents which relate to the Home or the Construction Project are submitted to a local authority or equivalent body with responsibility for making decisions regarding a Home or a Construction Project.

Building Surveyor	An experienced and professionally qualified surveyor employed or appointed by Compariqo to inspect the progress of construction of a Home, in line with the Compariqo Inspection Stages Guide and to ensure adherence to the Compariqo Technical Standards in force at the date on which the documentation setting out the detail of the relevant Construction Project is submitted to the relevant Building Control Authority. A Building Surveyor may also be appointed by Compariqo to mediate between the Member and the Buyer as part of the dispute mediation described in Section 6.4 below.
Buyer	A Customer who goes on to make a Reservation and/or buy a Home
Code, The Code, Compariqo's Code	Compariqo's Consumer Code for Builders and Developers of New and Newly Converted Homes in England, Wales, Scotland and Northern Ireland
Code Sponsor	Compariqo Limited (Compariqo™)
Completion	The date on which the Buyer takes legal ownership of the Home from the Builder or Developer. In Scotland, this process is known as the "Conclusion of Missive" and "Date of Entry".
Construction Project(s)	The construction or completion of a new Home(s), or the conversion, renovation or extension of an existing property or as is alternatively defined in any policy of insurance relating to the specific Construction Project.
Consumer	An individual person or group of individuals, as opposed to a corporate entity or partnership, out of the general population, who is a buyer of goods and services.
Contract	A legally binding agreement confirming the terms and conditions of the sale of the relevant Home. In Scotland, this document is known as the "Missive".
Contract Deposit	A deposit paid by the Buyer to the Member or its Agent to secure the purchase of a Home.
CPD	Continuing Professional Development which is the structured process whereby Member's staff who work in sales and marketing, contracting, construction and handover of Homes to Buyers, will be made familiar with the requirements of the Compariqo Technical Standards, the terms of any Structural Defects Insurance offered by Compariqo, and with their obligations/responsibilities under the Code. Compariqo provides training and personal and professional development events to its Members.

Compariqo Approved Lenders List	The list of Banks, Building Societies and other Lenders who routinely and regularly accept a Compariqo Policy as satisfying a Mortgage requirement that a Structural Defects Insurance Policy Certificate is in place for the Home.
Compariqo	Compariqo Limited, Registered Office: Lytchett House 13 Freeland Park, Wareham Road, Poole, England, BH16 6FA.
Compariqo Homeowner's Guide	A guide made available by Compariqo in hardcopy and online for Members to give to Customers and Buyers.
Compariqo Membership Rules	The mandatory Compariqo Membership Rules for Construction Professionals with which all Builders and Developers who wish to become Registered Members must agree to abide by.
Compariqo Policy	The Structural Defects Insurance policy offered by Compariqo and issued by the relevant insurer.
Compariqo Technical Standards	The Compariqo Technical Standards of Construction, which all Builders and Developers who are members of the Membership Register are required to adhere to when undertaking construction projects.
Customer	A person or persons out of the general population of Consumers, making enquiries about buying a Home but who has not yet made a Reservation.
Developer	A person, sole trader, partnership, company or other organisation that arranges Construction Projects and is a Member.
Dispute	An unresolved complaint made by the Buyer of the Home to the Builder or Developer in accordance with Compariqo's Consumer Code.
Dispute Mediation Service, DMS	The procedure for mediating a Dispute set out in Section 6.4 below
Exchange of Contracts	The point at which the Contract is exchanged between the Member and the Buyer. In Scotland, this process is known as the "Exchange of Missive"
Home	A property that a Member has constructed, completed, converted, renovated, or extended as part of a construction project. For the avoidance of doubt, the definition of Home excludes those properties listed in Section 1.2 below.
Insurance Certificate	A certificate issued by Compariqo on behalf of an insurer in respect of Structural Defects Insurance, or any other insurance product offered by Compariqo.

Management Services	The maintenance, supply, service obligations and charges the Buyer may be liable to pay on Completion of the Home purchase. In Scotland, this is known as “Factoring”
Member	A Builder or Developer that has completed an Application which has been accepted by Compariqo, has paid all necessary membership and/or renewal fees, has abided by the Compariqo Membership Rules and whose name appears on the Membership Register.
Membership Register	The record of Applicant Builders and/or Developers that have been accepted by Compariqo for membership.
Mortgage	Finance provided to the Buyer under the terms of a loan agreement by a Bank, a Building Society, or other Lender, for the purchase of a Home.
Part Exchange Scheme	A process by which the Member agrees to use the Buyers existing property as part payment for a new Home.
Property Ombudsman, The	An independent and impartial service for the resolution of a Dispute between the Buyer and the Builder or Developer, on behalf of Compariqo. The Property Ombudsman Milford House, 43 - 55 Milford Street, Salisbury, Wiltshire, SP1 2BP www.tpos.co.uk
Purchase Price	The price that has been agreed upon by the Buyer and the Builder or Developer for the relevant Home and which is set out in the Contract relating to that Home.
Reservation	A legally binding agreement between the Buyer and the Builder or Developer, giving the Buyer an exclusive period of time to enter into a Contract to buy a Home at a specified Purchase Price.
Reservation Fee	Any fee paid by the Buyer as part of a Reservation which will either be deducted from the final Purchase Price of the Home or refunded in the event the Reservation is cancelled (minus any Administration Fees).
Reservation Period	An agreed period of time stipulated within the Reservation during which the Member agrees not to offer the Home for sale to anyone other than the Buyer.
Snagging	The process of inspection necessary to compile a list of minor defects or omissions in building works for the Builder or Developer to rectify in a timely manner.
Specification	A description of the main materials used to construct the Home, (including: wall, roof and floor construction; types of bricks and roof tiles; windows; internal and external doors; bathroom and kitchen tiles; bathroom fittings; furnishings; appliances; central heating; and vacuuming systems)

Structural Defect	A Defect in the design, workmanship, material or components of the load bearing elements of the Home, or the failure of the Member to comply with Building Regulations or Compariqo Technical Standards which adversely affects the structural stability or resistance to damp and water penetration of the Home, which is discovered and notified to the Insurer during the relevant Structural Defects Insurance Period.
Structural Warranty, Structural Warranties	An insurance-backed warranty issued by one of the Warranty Organisations, providing the Buyer with cover for Structural Defects as set out in the policy documents, a summary of which is made available under the terms of this Consumer Code with the Reservation Agreement
Territory	Any Country, Region, or jurisdiction in which the Construction Project is being undertaken and in which the Member operates.
Vulnerable Customer	A Buyer, who by virtue of their personal circumstances is especially susceptible to detriment. This could be because, but is not limited to, the Buyer's age; infirmity; lack of knowledge of the English language; or disability; [or those who for reasons of experience, knowledge or illness find the process difficult.
Warranty Organisation	Those organisations, registered with Compariqo's Consumer Code for Builders and Developers of New and Newly Converted Homes as Code Users, which provide Structural Warranties and have agreed to support the Code Sponsor in monitoring and enforcing Compariqo's Consumer Code for Builders and Developers of New and Newly Converted Homes. Details of participating Warranty Organisations are available at

1 What The Code Covers

1.1 The Status and Scope of The Code

The Code is a voluntary code of practice that is intended to influence and raise standards of practice in the United Kingdom of Builders and Developers and their Agents in the marketing and selling of Homes and in the provision of aftersales support to Buyers.


The Code applies to all Homes which will be covered by a Structural Defects Insurance Policy, issued by Compariqo and for which a Reservation or Contract was signed on or after the 1st August 2021. [N.B. date will be revised once the Code has received Stage 1 Approval].

All Members, agree to comply with the terms of the Code and shall ensure that their Agents, staff and employees have been adequately trained to ensure they understand the obligations imposed on the Member by the Code and the steps required to be taken by them to ensure that the Member complies fully with its duties and obligations under the Code.

1.2 When The Code Does Not Apply

The Code does not apply to:

- Homes acquired by a Housing Association or other social landlords for rent

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- Homes acquired by corporate bodies, partnerships, charitable organisations or other business organisations
 - Properties taken under a Part Exchange Scheme
 - Homes purchased by individuals for investment purposes e.g. on a buy-to-let basis
 - Self-built Homes constructed under a contract between a Builder and an individual for the individual's own occupation
 - Homes built under a Professional Consultant's Certificate, unless a Compariqo Policy has also been issued in respect of such Homes

The Code also does not apply to:

- Claims for sums that exceed the limits set out in Section 6.5.7 below
- Personal injury claims
- Claims for loss of property value or blight
- Claims in respect of a defective title to the Home
- Claims that are covered by a Compariqo Policy



1.3 Contact Information

Buyers and Customers can request additional information relating to the Code, including copies of a Homeowner's Guide, together with responses to Frequently Asked Questions (FAQs), results of monitoring audits, satisfaction surveys and Adjudications on The Code (see below).

Ways to contact the dedicated Code team:

Web: www.compariqo.com

Email: hello@compariqo.com

Phone: 0151 221 9665

Post: The Consumer Code for Builders & Developers
c/o Compariqo Limited
Lytchett House 13 Freeland Park,
Wareham Road,
Poole, England
BH16 6FA





THE REQUIREMENTS OF THE CODE

2 Adopting The Code

2.1 Mandatory Compliance with The Code for all Members

It is mandatory for Members to comply with the requirements of the Code for which a Reservation or Contract was signed on or after [1 August 2021].

Members and their Agents will be required to ensure that all sales materials, Reservation Agreements and associated practices and procedures comply with the requirements of the Code.

2.2 Making Sure Consumers Have Access to The Code

Members must make the Code available, free of charge, to any Customers interested in the purchase of a Home. The Code should be made available in multiple formats, including:

- Written format in plain English;
- Large print format in plain English;
- On-line, mobile and easily downloadable formats in plain English; and
- In other formats in response to reasonable requests

The Member should ensure that the Customer has sufficient time and ability to review the Code before they agree to purchase a Home. In order to comply with this requirement:

- A copy of the Code and the Compariqo Homeowner's Guide should be provided to the Customer together with the Builder or Developer's Reservation Agreement and, should the Customer require additional support or information, the Builder or Developer should advise the Customer where they can obtain such support and information.
- The Member must display a copy of the Code prominently in public areas related to the Home sales process, e.g. in the Sales Office, in a Show Home, and in the Agent's office.
- Guidance relating to the use of the Code logo and other related logos will be made available and updated from time-to-time on the Compariqo Consumer Code Web Page


The Member must provide the Customer with information about the operation of the Code and in particular about the provisions of and access to the Compariqo Dispute Mediation Service. In addition, the Customer should be made aware of the scope of the Code, its exclusions and the need to make all complaints to the Member within two years of Completion of the sale of the Home.

Members must adequately train sales staff, and ensure that their Agents are adequately trained, to identify and appropriately respond to the needs of Vulnerable Consumers. Compariqo will make appropriate CPD training and helpful resource material available.

2.3 Upholding Customer Service Standards

Members should ensure that they have appropriate organisational systems and procedures in place to enable them to accurately and reliably meet their commitments to compliance, service, procedures, information and monitoring in relation to the Code. Management oversight systems should be put in place to monitor staff performance and operational adherence to the requirements of the Code.

It is recognised that the processes and contractual transactions involved in buying a Home and moving in are daunting and amount to probably the single largest transaction that a Customer will make, perhaps in a lifetime. Accordingly it is important that the Member is sensitive to the



needs of the Customer and is prepared to direct the Consumer towards independent support services and resources such as:

- Home Owners Alliance
 - www.hoa.org.uk/services
 - Tel: 033 0088 2050
- Citizens Advice
 - www.citizensadvice.org.uk
 - England, Scotland, Wales: 03454 04 05 06
 - Northern Ireland 0300 123 6262

In addition to providing the above information to Customers, Members may feel it is helpful to make a list available of professional advisors in the vicinity of the Construction Project or Home, including: -

- Solicitors and Conveyancers
- Chartered Valuation Surveyors
- Engineers
- Independent Mortgage Advisors
- Foreign language translation services

2.3.1 The Importance of Customer Satisfaction

The Code places great importance on the need to continuously promote Customer satisfaction, as more particularly detailed in this Section 8. Members must adopt measures to canvas feedback and to analyse the results of such feedback, with a view to improving the effectiveness of the Code in operation.


These measures should include:

- 1)** Customer Satisfaction Surveys;
- 2)** Annual Self-Assessment;
- 3)** Being subject to Audit;
- 4)** Quarterly and Annual Reporting

Items 3) and 4) will be undertaken by Compariqo as Code Sponsor.

2.4 Training of Customer Service Staff

Initial familiarization training and ongoing CPD must be provided to all staff and employees of Members that have contact with Customers and/or Buyers, to ensure that they understand their responsibilities under the Code. Compariqo will provide regular CPD and Webinar training modules suitable for all those involved in the different sales and development processes: from sales staff in show homes, to Site Construction Supervisors, and staff responsible for Health & Safety on site. Details of the CPD courses provided/organized by Compariqo will be made available on the Compariqo Website www.compariqo.com



Members' staff, employees and Agents must be able to explain clearly to Customers and Buyers what they should expect at each stage of the buying process for a Home, with respect to sales & advertising, information and data collection requirements, the operation and terms of any Part Exchange Scheme, the Reservation and Contract process, the terms of any Compariqo Policy, and details of the after sales services.

All Members' staff, employees and Agents who are likely to have contact with Customers or Buyers, including site construction personnel, should be trained on how to identify potentially Vulnerable Consumers. Compariqo will make appropriate CPD training and helpful resource material available.

Members must monitor how familiar their staff and employees and Agents are with the requirements of the Code and must be able to demonstrate that all relevant staff, employees and agents have undertaken refresher courses/ CPD at least on an annual basis in the following areas:

- Their obligations/responsibilities under the Code
- The scope of The Compariqo Technical Standards
- Health & Safety Policy
- The terms of any Compariqo Policy

2.4.1 Staff Training Leads to Customer Satisfaction

The Code requires Members to monitor and report on Customer and Buyer satisfaction. The training regime that the Member adopts should reflect this need. Members must provide key staff with accredited Customer service training. Particular attention should be placed on training the Member's staff, employees and Agents in the need to be both sensitive and responsive to Vulnerable Consumer's enquiries and needs.

2.5 Sales & Advertising Standards

The Code has four cornerstone principles with respect to the sales and marketing process and requires Members to:

- Put the Customer or Buyer first
- Be honest and fair
- Respect the Customer's or Buyer's privacy
- Be respectful of and diligent in the handling of Customer's or Buyer's data

The Member and its Agents must ensure that all sales and marketing material relating to the Construction Project and the Home is clear, truthful, current and capable of being easily understood by Customers or Buyers. All documentation must use plain English, all pictorial images and maps must be accurate and to a stated scale and be consistent with all words, plans or images contained in the documentation. All marketing material must comply with then current laws governing advertising – see Section 2.5.1 below.

Members must state in all advertising and sales material that they are Registered Members and comply with Compariqo's Technical Standards and the Code. All sales and marketing material must display the Code logos in use at the time of the commencement of the Construction Project.

2.5.1 Property misdescription and misrepresentation

Members must act in accordance with all relevant legislative requirements in force in the territory in which the Construction Project is to be undertaken relating to their conduct of sales and marketing activities. If there is any uncertainty as to whether advertising or sales material is legally compliant, before presenting it to a Customer or Buyer, the Member should review its content against and/or obtain appropriate professional advice as to its compliance with the then current provisions of the following:

- [The Consumer Protection from Unfair Trading Regulations 2008](#)
- The [Business Protection from Misleading Marketing Regulations 2008](#)
- The applicable [UK Advertising Codes](#)
- [Phone Paid Services Authority – Code of Practice](#)
- Any equivalent legislation or guidance in the territory in which the Construction Project is to be undertaken
- Any legislation or guidance which replaces and/or supersedes any of the above

Members must not mislead Customers or Buyers in any respect of the purchase.

2.5.2 Undesirable Trading Practices

High-pressure selling techniques shall not be used by Members to influence a potential Customer's or Buyer's decision. This includes, but is not limited to:

- Encouraging the Customer to make a Reservation by implying that there are other parties interested in the Home or that there is an imminent price increase due, where neither is true.
- Offering a financial incentive for an immediate decision on a Reservation or a sale.
- Encouraging the Customer to make a Reservation by implying that the opportunity to alter the standard specification and to personalise the Home where the stage of construction would still allow it will not be available for Reservations made at a later date.

Members must ensure that all their staff and employees (including part-time staff and Agents) are aware of the obligation not to engage in high-pressure selling techniques.


Members must provide appropriate training in this respect and report compliance of both its directly employed sales staff and Agents employed to market and sell the Construction Project.


Members will have in place they have systems and procedures in place to enable them to accurately and reliably meet their commitments to compliance, service, procedures, information and monitoring in relation to the Code. These systems should also maintain provision for monitoring staff performance. Compariqo will undertake audits of Members, monitor the nature of complaints and any adverse press coverage.

2.6 Identifying and Responding to the Needs of Vulnerable Consumers

The Code requires that Members have in place a policy and procedures for the early identification and protection of Vulnerable Customers. Members should:

- ❑ Create, publish and maintain a Customer and Buyers Charter with a clear policy on Vulnerable Customers

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- ❑ Comply with guidance offered by statutory agencies and Non-Governmental Organisations on Vulnerable Customers
 - ❑ Provide their staff, employees and Agents with guidance and training on:
 - The Member 's key legal responsibilities
 - Their responsibilities to Customers and Buyers
 - The identification of Vulnerable Customers
 - Understanding their obligations in relation to identifying and supporting Vulnerable Customers including how to provide appropriate advice and assistance suitable to their needs
 - Considering the possible effects of any vulnerability declared by a Customer or Buyer on the proposed transaction
 - Seeking clarification from Customer's or Buyer's and/or their representative in circumstances where it becomes apparent to the Member that they may be vulnerable. Enquiries must be of a nature that are considerate, unlikely to offend and can in no way be interpreted as discriminatory
 - Seeking further information from an appropriate organisation specialising in a specific vulnerability in circumstances where the Member is advised of or perceives a Customer or Buyer may be affected by that vulnerability
 - ❑ Ensure that persons identified as being Vulnerable Customers understand the Code
 - ❑ Acknowledge and cater for the needs of Vulnerable Consumers and help them to make informed decisions by ensuring that the provisions of the Code and the Consumers rights under the Code have been appropriately communicated
 - ❑ Where language is a barrier, recommend that a suitable translator (who may be a family member) is present to explain the nature of any proposed transaction to the Vulnerable Customer
 - ❑ Use plain, simple language to explain the nature of their product or service
 - ❑ Provide alternative means of communication to suit different vulnerabilities: e.g. large print, or facilitating a foreign language translator to be present
 - ❑ Make clear any commitments, accumulative costs, additional purchases or future consequences the Vulnerable Customer is agreeing to, especially if these are not immediately obvious.
 - ❑ Replay a Vulnerable Customers' decisions and behaviour back to them: for example, double-checking their purchase choices or pointing out to the Vulnerable Customer the cumulative cost of the variations requested by them
 - ❑ Make sure the Member is easy to contact and interact with: for example, providing a Service/Maintenance line, emergency call number, and a responsive customer services email system
 - ❑ Record any reasonable adjustments made to the sales process (or reasons why they were not made) when dealing with an identified Vulnerable Customer
 - ❑ Be able to provide evidence that the policy on Vulnerable Customers has been implemented for example by:
 - Staff training records

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- An operational system where a customer identified as vulnerable can be flagged as such for future dealings

3 Pre-Contract Stage - Before the Sale of a New Home

3.1 Importance of Obtaining Professional Advice

The purchase of a Home is a momentous time in any Buyer's life, as the Buyer or Customer is considering entering into potentially long-term commitments and taking on significant responsibilities. Members must advise Customers and Buyers to appoint a suitable legal adviser to carry out the necessary legal formalities of buying the Home and to represent their interests. The Member should not restrict the Customer's or Buyer's choice of legal representative and should, if the Member has such information available, provide the Customer or Buyer with a list of independent solicitors or licensed conveyancers in the vicinity of the Construction Project.


If a Customer or Buyer asks the Member for recommendations regarding other types of professional advice, for example on how to secure suitable mortgage finance, or an independent assessment of the valuation of the Home, then the Member should provide the Customer or Buyer with a list of independent professional advisors in the vicinity of the Construction Project from whom they may choose to seek independent advice.

If the Member receives a commission for the recommendation this should be made clear to the Customer or Buyer both verbally and in writing when presenting the Customer or Buyer with a Reservation or, if later, when asked for a recommendation by the Customer or the Buyer.

3.2 Pre-Purchase Information

Customers and Buyers must be provided with pre-purchase information that is written in plain English and clearly sets out the important facts that the Customer or Buyer needs to help them make an informed decision about purchasing a Home. In all cases this information must include:

- A copy of the Reservation
- A Marketing Brochure and Plan, detailing:
 - The size of the Home
 - Specification of the Home
 - Schedule of finishes for the Home
 - Internal layout of the Home
 - Site location, plot position of the Home and access arrangements
 - Architectural appearance of the Home
 - Details of Common Areas
 - Purchase price of the Home
 - Utilities provided to the Home and their location
 - Energy performance rating for the Home
 - Any Mobility adaptations available for the Home
- A copy of any Structural Defects Insurance Policy, together with supporting documentation as detailed in Section 3.4 below.

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- Any Home Owners Association Manual or Management Services Schedule, detailing:
 - Payments that will be required from the Buyer
 - Annual Budget and proportionate part required to be paid by the Buyer
 - Organisations to which the Buyer will be committed and an estimate of the associated cost
 - Details of any Leasehold, Fee Farm Grant or other title arrangements to which the Home is subject.
 - A plan showing the location of and, if available, details of the properties to be included in future phases of the Construction Project; anticipated dates of future phases of the Construction Project; and the anticipated date by which the Construction Project is expected to be completed
 - Landscaping and infrastructure plan for the Construction Project which includes the Home and future phases.
 - Schedule of contents in the Home that are included in the purchase price
 - Specification for the Home including details of cosmetic finishes
 - An estimate of when the Home will be ready for occupation
 - A clear process for the Buyer to make variations and/or additions to the specification of the Home
 - Other material information relating to the standards to which the Home is being built, including confirmation that the Home is to be built in compliance with the Building Regulations and the Compariqo Technical Standards

3.3 Contact Details, Communications and Questions

The Member should inform the Customer or Buyer how their questions will be addressed and who to contact during the sale, purchase and transfer of ownership of the Home. Queries from the Customer or the Buyer should be responded to promptly and in writing and, in any event, no later than 5 working days of receipt of a written or verbal inquiry from the Customer or the Buyer.

The Member must provide the Buyer with the names, contact numbers and email addresses of those key personnel who will respond to any complaint raised by the Buyer under the terms of the Code. The procedure for Disputes is covered in more detail in Section 6 below.

3.4 Structural Defects Insurance Cover

On entering into a Reservation, the Buyer should be presented with a sample of the Compariqo Policy or the Structural Defects Insurance Policy that will be issued in respect of the Home. The following information should be provided:

- A sample copy of the Compariqo Policy/Structural Defects Insurance Policy
- The Compariqo Homeowners Guide

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- A copy of the Compariqo Approved Lenders List
 - A copy of the Compariqo Inspection Stages Guide – detailing the different stages at which the Home will be inspected during its construction and immediately prior to Completion

It is the responsibility of the Builder or Developer to inform Compariqo when each stage has been reached, to allow Compariqo to arrange for an Approved Inspector to visit the Construction Project and assess the work that has been carried out. Approved Inspectors are instructed to visit the Home sufficient times in order to assure themselves that the Compariqo Technical Standards have been met.

3.5 Health and Safety – Visitors to Sites Under Construction

Members must ensure that the site where the Construction Project is being undertaken complies with the requirements of the Construction (Design & Management) Regulations 2015 (as amended and/or superseded) or any equivalent legislation in the territory where the Construction Project is being undertaken and that there is suitable and safe access to the live construction site before permitting site visitors to access the site.

Members must take into consideration the relevant needs of the site visitor when making the decision as to whether access is suitable and safe.

Members shall ensure that site visitors are accompanied at all times by an appropriately trained and experienced member of the team working at the site.

All visitors to a site where a Construction Project is being undertaken must be informed about the appropriate Health and Safety precautions they should personally take when visiting the site, and of any relevant risks, before they are allowed access to the live construction site.

Emergency arrangements should also be clearly explained by the Member to all site visitors, and a register of visitors must be maintained on site.

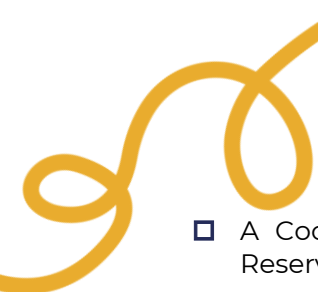
Site visitors should be required by the Member to sign a document confirming that they have received a site induction and have understood the Health and Safety advice given to them for the site visit. Copies of the signed documents should be kept with the register of visitors.

Appropriate personal safety equipment (e.g. hard hat, hi-visibility vest and protective footwear) must be provided by the Member and worn by any site visitors before they are taken out onto a live construction site.

3.6 Reserving a Home

Buyers must be given a Reservation document that clearly establishes the terms of the Reservation. The document must contain:

- ❑ A clear statement that the Reservation does not constitute a contract for the purchase of the Home
- ❑ Date of commencement of the reservation period
- ❑ Details of the Reservation Fee to be paid on signing of the Reservation, including:
 - the terms under which the Reservation Fee will be refundable or non-refundable; and
 - the reasonable Administration Fees that the Builder or Developer may deduct from the Reservation Fee

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- ❑ A Cooling-off Period of at least 14 calendar days from the date of signature of the Reservation
 - ❑ A description of what is being offered for sale, including:
 - a description of the Home; and
 - the plot number of the Home within the Construction Project; and
 - the postal address of the Home, including the road name, house number and post code (if available at the time); and
 - details of any garage(s) or parking space(s) dedicated to the sole use of the Buyer.
 - ❑ Purchase price to be paid on Completion, less any prepayments for the Home
 - ❑ The period during which the purchase price for the Home remains valid
 - ❑ Details of the Reservation Period after which the Reservation will end if there has been no Exchange of Contracts
 - ❑ Details of any Part-Exchange Scheme
 - ❑ Details of any pre-condition to be satisfied by
 - ❑ Home Owners Association: estimation to be provided of the Annual Home Owners Budget to be levied from the Buyer(s) of the Construction Project, including estimated proportionate share that the Buyer will be responsible for after Completion
 - ❑ Details of how the Contract Deposit will be protected in the event of Builder or Developer insolvency
 - ❑ Details of the process, including the latest date, by which the Buyer can request changes (i.e. paint colour, design details, finishes) to the Specification

Once the Reservation is signed by both the Buyer and the Member (by hand, by Adobe E-Signature, DocuSign, or by other readily accessible and easy-to-use on-line signature tool), the Member will not sell or try to sell the Home to another Buyer before the expiry of the Reservation Period, or before the date when the Buyer cancels the Reservation, whichever occurs first.

The Buyer has the right to cancel the Reservation at any time during the Reservation Period.


The Reservation Fee must be refunded in full if the Buyer wishes to cancel the Reservation for any reason during the cooling-off period offset out in the Reservation.

The Buyer must be told in advance of any Administration Fees that will be deducted from the Reservation Fee if the Buyer cancels a Reservation after the expiry of the cooling-off period.

The Reservation Period may be extended by agreement between the Member and the Buyer. The Member should confirm any extension of the Reservation Period in writing, such confirmation of the extension to be signed by both the Buyer and the Member.

The Member does not have the right to cancel a Reservation. However, if the Reservation Period is not extended and there has been no Exchange of Contracts during the Reservation Period, the Reservation will automatically lapse. If the Reservation is cancelled or lapses, the Member must return the Reservation Fee to the Buyer within 7 calendar days of such cancellation or lapse.

The Member must also explain the terms under which the Reservation Fee, Contract Deposit and any Administration Fees or similar which the Member may deduct are refundable and any



applicable costs or penalties in the event that the Buyer does not proceed with the purchase of the Home.

3.7 Part Exchange Schemes

When a Member offers a Part Exchange Scheme to Buyers, the terms of such a scheme must be transparent, and must not be used to apply pressure on the Buyer to sign a Reservation or enter into a Contract. The terms of the Part Exchange Scheme must be explained in plain English and include full details of:

- How the Buyer can qualify for the scheme;
- The terms and conditions that apply;
- The method of assessment of the fair market valuation of the Buyer's existing property – independently obtained assessment by two or more local estate agents;
- Which valuation is acceptable to the Builder or Developer and the reason(s) why;
- Any deductions that will be made from the fair market valuation;
- Any deductions from the valuation;
- The date by which the Buyer must 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 Home will be completed.


The Member will provide all prospective Buyers, particularly Vulnerable Customers, with adequate time to consider and absorb information provided about the Part Exchange Scheme offer

4 Exchange of Contracts Stage - Entering into a Contract for a Home

4.1 The Contract of Sale

The Code requires that the Contract terms and conditions must:

- Describe the Property: adequately describe the Home and any other property being sold
- Be clear, fair and written in plain English
- Comply with the terms of the [U.K. Consumer Rights Act 2015](#)
- Set out the process and timing for advising the Buyer of the date of Completion
- Define the length of time from service of notice to Completion
- The circumstances in which the Buyer may terminate the Contract of Sale, see Section 4.3
- The procedure to be followed in the event that construction programme is behind schedule and the Home will not be ready for handover to the Buyer by the date advised by the Builder or Developer.

- 
- Detail the method of protection is offered to cover Buyer's Deposit, Reservation fee, and other advance payments.
 - The Builder or Developer must state whether it is providing Insolvency cover
 - Indicate in writing if any spoken statements are being relying on and the Member should then confirm these spoken statements in writing, or resolve any problems as appropriate, before Contract Exchange.

4.2 The Timetable for Construction and Completion

The Code requires the Member to:

1. Provide the Buyer with reliable and realistic information at all times about when construction of the Home is likely to be finished; the target date for Legal Completion; and the anticipated date for handover of the Home.
2. Establish a clear protocol for assessing latest schedule updates and communicating this information to the Buyer.
3. Increase the frequency of communication with the Buyer as practical completion of the works approaches.
4. Assesses if any factor or series of factors is likely to result in the completion and handover being delayed beyond the dates set out in the Reservation and Contract of Sale
5. Promptly communicate verbally and in writing the likelihood of a delay to the Buyer.
6. Report to the Buyer on the assessed reasons for the delay and latest projections of a new target completion and handover dates.

Reasons for delay are likely to include: force majeure; delays for inclement weather; lack of commissioning of essential services or equipment; waiting for Building Control Final Inspection; completion of access infrastructure; awaiting resolution of Health & Safety concerns with respect to the wider Construction Project in which the Home is located.

This information should be regularly updated by the Member, who must ensure that all information provided to Buyers on timings is accurate at the time it is provided.


4.3 Termination Rights

Buyers must be told about their right to terminate the Reservation or the Contract of Sale. Examples of circumstances when a right to terminate exists would include:

- An alteration to the Home that directly or materially affects the value
- Excessive or unreasonable misrepresentation of features or amenities
- Excessive or unreasonable delay in construction of the Home and/or in serving the notice to complete.

4.4 Alterations and Changes to the Home after Contract

The Member must formally consult the Buyer and get their written agreement if it is proposed to change the design, construction or any materials to be used in the Home that will materially alter



its size, appearance or value of the Home from what was shown to the Buyer when the Buyer was entering into the Reservation and/or the Contract.

In such circumstances, the Buyer must be given the right to terminate the Contract without any penalty for the Buyer and have the Contract Deposit returned without deduction. The right to terminate must be exercised within 56 days of the Buyer receiving written details of the proposed change from the Member.

Minor changes proposed by the Member that do not materially alter the appearance or affect the value of the Home should be communicated to the Buyer in writing, with the advice that they may wish to consult professional advisors as to the effect of those changes under the Contract. However, the Buyer's agreement is not required by the Member in respect of such changes.

Changes requested by the Buyer and that the Buyer agrees to pay for that are not included in the Reservation or Contract must be agreed in writing by the Buyer and the Member. Should the requested changes affect the date by which the Home is expected to be finished and/or the date for handover of the Home, the Member must advise the Buyer of the revised dates before the parties agree the requested changes.

4.4.1 Important note on extra work and extra items

If the Member agrees to do extra work or to incorporate extra items that the Buyer will pay for, and these are not specifically included in the Reservation or Contract, they should be listed in a priced Schedule of Variations and the parties should both sign a written order incorporating the Schedule of Variations.

If the inclusion of these extra items is likely to result in a delay in completing the construction of the Home beyond the date originally stated in the Contract, this should be agreed and recorded by the legal advisers acting for the parties.

The Code does not cover agreements for extra work or agreements between the Buyer and contractor other than the Member.

4.5 Protecting Buyers' Deposits and Pre-Payments

The Code requires that the Member must clearly explain to the Buyer how their Contract Deposit is to be protected and similarly how any other pre-payments (such as Reservation fees) are protected, before the Buyer signs a Reservation.

The protection offered should be one of the following options:

- 1.** The Contract Deposit is insured under a Compariqo Policy or another policy of insurance providing deposit protection cover; or
- 2.** The Contract Deposit, Reservation Fee and any other pre-payments will be held in a Statutory Trust account, which cannot be accessed by the Builder or Developer until Completion.

In either situation, the Member must ensure the Buyer understands what will happen in the event that the Member becomes insolvent and how their Contract Deposit, Reservation Fee and any other pre-payment will be refunded.

If the Member contracts with an Estate Agent to sell the property the Agent will be required to follow the provisions of the Estate agents Act 1979 and associated regulations that require deposits to be held in a separate client account.

4.6 Information on Completion

The Code requires that Buyers be told whether a Structural Defects Insurance Certificate has been issued for the Home together with its date of issue, or the anticipated date of issue.

At Completion, Buyers should be provided with the following:

- ❑ A Structural Defects Insurance Certificate or an explanation as to why it is not available and the date by which it will be available
 - An Insurance Certificate in respect of a Compariqo Policy will only be issued after the final inspection has been undertaken by an Approved Inspector and the Home is declared to be practically complete
- ❑ A copy of the Compariqo Policy or the Structural Defects Insurance Policy which covers the Home
- ❑ The Compariqo Homeowners Guide
- ❑ A checklist of matters covered by the Code
- ❑ The Builder's or Developer's Complaints Procedure.
- ❑ Information about the Compariqo Dispute Mediation Service (DMS) which can resolve most disputes between the Member and the Buyer, which fall outside the scope of the Structural Defects Insurance Policy provisions
- ❑ Information on how to submit complaints covered by the Code to the DMS and to escalate a Dispute to the Alternative Dispute Mediation Scheme
- ❑ Information about the Compariqo Code's Alternative Dispute Resolution Scheme (ADR)
- ❑ Clear information relating to Health & Safety aspects of moving into a new property
 - Where the Home is located within an ongoing Construction Project site, specific instructions and advice must be given to the Buyer with respect to Health & Safety when accessing and moving around the Construction Project site

5 Post Handover Stage – In Occupation of a New Home

5.1 Handover and Occupation of a New Home

When the Home is ready for handover to the Buyer, the Member should ensure that a thorough and detailed handover is facilitated for the Buyer, identifying any outstanding work within the Home or to other areas of the development serving the Home.

The Member must provide the Buyer of the Home with comprehensive and easily accessible information about the Home including:

- ❑ The procedure to be followed to address snagging items
- ❑ A practical demonstration of how all appliances and how other equipment in the Home operates.
- ❑ It is recommended that a complete resource of operational documentation for the appliances and other equipment in the Home is handed over to the Buyer
- ❑ A complete file containing guarantee and warranty documents for all items contained within the Home.
- ❑ Full details of the after sales service offered by the Member as described in Section 5.2 below
- ❑ A Health & Safety File for the Home in compliance with the Construction (Design and Management) Regulations 2015 (as amended and/or superseded) or any equivalent legislation in the territory in which the Home is located. This must include clear information relating to Health & Safety aspects of moving into a new property, including information about specific residual risks which the Buyer needs to know about and any action they will need to take after moving in. Some examples of specific situations which should be considered include (this list is not exhaustive):
 - Arrangements for access to photovoltaic panels if they require maintenance
 - Designed loading capabilities of roofs / floors, in case Buyers want to retrofit photovoltaic or other equipment.
 - Details of any remediated contamination in garden areas and/or details of ground conditions in case Buyers wish to retrofit a conservatory or extend their property.

5.2 Promoting Excellence in After Sales Support

The Code requires that the Member must provide the Buyer with comprehensive and accessible after-sales service information to include:

- Confirmation of the duration of the support service and the end date of the support service
- Contact names, telephone numbers and e-mail addresses of the Member's After Sales Support Team
- Contact details of all relevant authorities, bodies and persons that may be needed by the Buyer e.g. Local Building Control Officers, Public Utilities, etc.
- Instructions about what to do in the event of an emergency
- Information about how to make a complaint under the Code

- Guidance about how to make a claim under the Compariqo Policy that covers the Home.

Well-trained and knowledgeable staff must provide the after-sales service. Compariqo will provide an on-going schedule of CPD training modules – by Webinar and in-person – many of which will be helpful for after-sales support staff via its website www.compariqo.com.

In providing telephone numbers for Buyers, the Member must only use national or local rate telephone numbers.

If the Member or their Agent is required to visit the Home after it is occupied by the Buyer, then the following practices should be adopted:

1. The Member should agree a suitable time with the Buyer when a responsible adult can be present to represent the Buyer.
2. If a responsible adult is not present at the Home at the time agreed, then the Member (or their Agent) should not enter the Home and should instead re-arrange the appointment with the Buyer.

When it is possible to access the Home at the agreed time, the Member (or their Agent) should:

- Provide photographic ID credentials identifying the person to the Buyer (or their representative) prior to entering the Home
- Ensure that work clothes, footwear and equipment are clean and presentable
- Be prepared to remove outdoor footwear or wear clean overshoes. If safety shoes are required, they should be clean and covered by overshoes
- Ensure appropriate protection is provided for carpets, furnishings and decorations
- Remove all debris from the Home after completing any works and leave the work area clean and tidy
- Not smoke in the Home or in the vicinity of the Home
- Be respectful and polite, acting in a professional and considerate manner at all times

5.3 Health and Safety – Living on Construction Sites

Buyers must 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 Member implements in order to protect them.

The Member must carefully plan the remaining building work on the development to fully protect the inhabitants of any properties that are occupied.

6 Helping to Resolve Complaints & Disputes

Compariqo as Code Sponsor wishes to ensure that no financial impediment is placed in the way of a Consumer seeking redress for a legitimate complaint. Accordingly the Code provides a Dispute Mediation Service (DMS) and access to an independent Alternative Dispute Resolution Scheme (ADRS) on entirely free of charge and easily accessible basis for Buyers.

6.1 Cooperation with Professional Advisors

The Code requires that in the event of a complaint being received or a Dispute occurring, the Member must cooperate fully with appropriately qualified professional advisors appointed by the Buyer to assist them in resolving the Dispute. Professional advisors would include Solicitors, Architects, Chartered Engineers and Chartered Surveyors.

Equally the Member must provide the same level of cooperation to an intermediary representing the Buyer e.g. a family member, friend, a member of clergy, or an appointed civil advisor, as they would to the Buyer.

The Member must also cooperate fully with any Building Surveyor appointed by Compariqo as part of the dispute mediation service described in Section 6.4 below.

Particular care must be taken in seeking to resolve a dispute when, in the assessment of the Member, the Buyer may be considered a Vulnerable Customer.

6.2 Definition of a Dispute

A Dispute can occur if the Member has failed to respond to a complaint issued in writing by the Buyer or has failed to comply with the requirements of the Compariqo Technical Standards, or the Code and, as a result, the Buyer believes they have suffered:

1. Financial loss; and or
2. Emotional distress; and or
3. Inconvenience.

6.3 Complaints Procedure

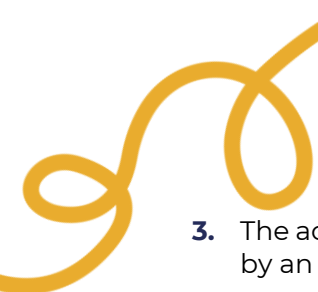
The Member must have a procedure for receiving, handling and resolving Buyer's requests for after-sales service support and/or complaints and must provide the Buyer with clear information about how to access the Compariqo DMS. It is recommended that this information should be made available for download via the Member's website and Compariqo will provide a link the Compariqo Web platform in this respect.

The Member must provide the Buyer with clear information regarding the Dispute Mediation provisions of:-

1. The Code; and
2. The Compariqo Policy or the Structural Defects Insurance Policy which covers the Home

The Member's own company policies and procedures should:

1. State the address to which complaints should be submitted.
2. State that once the Member has received a complaint, the Member will send the complainant an acknowledgement letter within 2 business days of receipt of the complaint that will contain any timelines of investigation and when the complainant can expect to receive a response.

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3. The acknowledgement should inform the complainant that their complaint will be handled by an identified Complaints Officer
 4. Provide that every complaint will be investigated fairly and thoroughly in order to identify the issues and resolve them as soon as practically possible. The investigation should focus on the issues that gave rise to the complaint and where appropriate, the Member should consult relevant members of their staff to determine the cause of complaint. The Member should aim to resolve the complaint within 30 business days, however, if and where possible the Member should endeavor to resolve the complaint within 10 business days.
 5. Require that the Member responds promptly and in writing, setting out its response and proposals to resolve the matter and, where appropriate, include remediation proposals; and
 6. Provide an estimated resolution date by when any remediation works will be completed.

Member's procedures should state, in the event that they and the Buyer cannot reach an amicable resolution to the complaint, the complaint becomes a Dispute that the Buyer has the opportunity to refer direct to the Compariqo Dispute Mediation Service.

The Buyer must make any complaint to the Member in writing and within 2 years (24 months) of the date of Completion.

6.4 Mediation Under The Code

If the Dispute falls within the terms of the Structural Warranty, then the Warranty Organisation will offer their own resolution process to the Buyer, free of charge.

If the Dispute does not fall within the terms of the Structural Warranty, the Warranty Organisation can refer the Dispute to Compariqo's Consumer Code for Builders and Developers Dispute Mediation Scheme on behalf of the Buyer.

The Buyer may bring all other matters in Dispute to Compariqo for mediation under the Code within:

- 3 months of the date of the Members final response to the relevant complaint, or final offer to resolve the complaint; or
- 3 months of the date of making their original complaint in writing to the Member, if the Member has not responded to the complaint.

As part of the Dispute Mediation Service, Compariqo will engage directly with the Member to ascertain if there is an acceptable resolution to the complaint available and, should this be unsuccessful, within 42 days (6 weeks) of the Dispute being referred to mediation, Compariqo will advise the complainant of his/her right to escalate the complaint to the Alternative Dispute Resolution (ADRS) Scheme as detailed in Section 6.5 below. Compariqo may appoint a Building Surveyor to assist with the process of ascertaining if there is an acceptable resolution to the complaint available.

6.4.1 Informing the Parties in Dispute

The Code's Customer Services Team will ensure that the parties in Dispute are regularly kept informed of progress with the investigation into the complaint brought to Compariqo for mediation. The progress updates will include any reasons for delay, when Compariqo might require further information from the complainant or the Member in order to resolve the complaint, and/or when the complainant may expect to receive a final written response from Compariqo.

6.4.2 Record keeping

All complaints will be logged on Compariqo's online Complaints Register and the records will be kept for at least three years from the date the complaint is received.

6.4.3 Bringing a Complaint to the Code

Customers can raise their complaint(s) in writing and send them to Compariqo at:

- 1) Compariqo Consumer Code for Builders and Developers
Complaints Officer
c/o Compariqo Ltd
Lytchett House 13 Freeland Park,
Wareham Road,
Poole, England
BH16 6FA
- 2) Or via email to hello@compariqo.com

6.5 Escalation of A Dispute to The Alternative Dispute Resolution Scheme

If the Buyer is not happy with the outcome of the mediation or the mediation fails to find an acceptable resolution to the complaint within 30 days of the Dispute being referred to mediation, the Buyer may refer the complaint to the Alternative Dispute Resolution Scheme.

The Alternative Dispute Resolution Scheme offered by Compariqo and supported by The Property Ombudsman (TPOS) provides an Adjudication process by which the Dispute will be resolved.

The Adjudication will be an independent process conducted by the offices of The Property Ombudsman under their [Alternative Dispute Resolution Scheme](#) (TPOS ADRS).


The Property Ombudsman
Milford House,
43 - 55 Milford Street,
Salisbury,
Wiltshire, SP1 2BP

6.5.1 The Buyer's Obligations Under the TPOS ADRS

1. Complete an application form;
2. Send the completed form to The Property Ombudsman (TPO);
3. Include all supporting evidence;
4. Attach copies of any receipts and/or invoices.
5. There is no registration fee to be paid by the Buyer – all administration fees will be paid by the Member

6.5.2 The Member's Obligations Under the TPOS ADRS

- Respond fully to the Buyer's allegations within the time limit prescribed by The Property Ombudsman;
- Include all supporting evidence required to challenge the Buyer's allegations;

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- Comply with the Adjudicator's decision, assuming this is accepted by the Buyer;
 - Pay the Buyer the amounts awarded by the Adjudicator within the time frame stipulated by the Adjudicator; and
 - Pay the fees applicable for the Adjudication namely £100 for the Member payable directly to the Adjudicator, and free for the Buyer.

6.5.3 The Adjudicator's Obligations Under the ADRS

1. Fairly and impartially review the materials submitted by the Buyer and the Member;
2. Facilitate the resolution of the Dispute without the need for formal Adjudication. This is called "early settlement";
3. Issue an Adjudication in circumstances where "early settlement" cannot be achieved

6.5.4 Early Settlement Under the ADRS

The cost to the Member for "early settlement" is £250.00 (plus VAT). In the event that "early settlement" does not happen, the Member must:

1. Submit a response to the Buyer's allegations; and
2. Include a payment of £500 (plus VAT).

The Buyer will then be given a copy of the Member's response and will be asked to respond to the statements made by the Member.

The Adjudicator will then decide if the Buyer has a legitimate complaint and, if so, will decide if the Buyer has suffered any financial loss, and/or emotional distress and/or inconvenience because of the Member's breach of its obligations under the Code. The Adjudicator will quantify any financial loss suffered by the Buyer.

6.5.5 The Adjudicator's Award


The Adjudicator will:

1. Review all written statements submitted by both parties;
2. Decide if the Buyer has a bona fide claim;
3. Quantify any financial loss and/or emotional distress and/or inconvenience because of the Member's breach of its obligations under the Code; and
4. Make a decision or award and communicate this to both parties.

The Adjudicator's decision can be accepted or rejected by the Buyer. If the Buyer rejects the Adjudicator's decision, its legal rights will not be affected and the Buyer will be free to bring any claim against the Member before the courts. If the Buyer accepts the Adjudicator's decision, this will be in full and final settlement of the Buyer's complaint, and the Member will be asked to comply with the Adjudicator's decision.

6.5.6 Awards Acceptance, Refusal and Liability

A Member who has signed the Compariqo Membership Rules is required to honour any award made against them under the Compariqo Dispute Mediation Scheme (DMS).



A Member must comply with the terms of any decision made and/or award given by an Adjudicator pursuant to the TPOS ADRS that has been accepted by the Buyer. In the event that a Member refuses to accept such a decision and/or award, Compariqo (at its sole discretion) may choose to take legal action against the Member to enforce the terms of the Compariqo Membership Rules and this Code.

6.5.7 Limits of The Award

If the Adjudicator accepts the Buyer has a legitimate complaint, the Adjudicator may impose an award or decision including the following:

- A financial award of up to 25% of the Purchase Price of the Home subject to a maximum of £50,000.00 (inclusive of VAT) to be paid by the Builder, or Developer;
- A requirement on the Member to undertake specified work at the Home in order to remedy any Defect identified by the Adjudicator;
- A requirement on the Member to both undertake specified work at the Home and pay the Buyer financial compensation;
- Discretionary compensation for the Buyer for inconvenience, of up to £1,000.00;
- Recommend referral of the Member to the Compariqo Code of Practice Disciplinary and Sanctions Panel.





7 Disciplinary and Sanctions Procedure

Any contravention of the Code by a Member or its Agent will be treated as a very serious matter by the Code Sponsor. Accordingly Compariqo maintains the right, at the sole discretion, to convene the Code's Disciplinary and Sanctions Panel (the Panel) at any time and, upon the advice of the Panel, to remove the Member from the Membership Register.

The membership of the Panel will depend on the nature of the contravention under investigation but will consist of between 3 and 5 members drawn from a pre-approved list of independent consumer experts and independent construction industry professionals drawn up and maintained by Compariqo.

A Chairperson will be appointed by the Panel members and all decisions by the Panel will be made on the basis of a simple majority, each member of the panel having one vote. The range of sanctions the Panel can impose on a Member found to be in breach of the Code are as follows:

7.1 Improvement Program

Where the Panel deems the breach to be of a minor nature, the Panel will require the Member to participate in a training program run by Compariqo which is designed to ensure that the Member understands what they have to do to comply with the Code, that they take their obligations under the Code seriously and learn lessons from their mistakes.

7.2 Financial Penalties

Financial penalties may be imposed on the Member for breaches of the Code determined by the Compariqo Code of Practice Disciplinary and Sanctions Panel to be of a minor nature.

7.3 Suspension of a Member from The Membership Register

Where the Panel deems the breach to be serious in nature and to require substantial improvements to be made by the Member, and/or its Agent, the Panel may instruct Compariqo to suspend the Member from the Membership Register until such time as the Member, and/or its Agent, can demonstrate to Compariqo that the improvements identified by the Panel have been made.

7.4 Removal of a Member from The Membership Register

Where the Panel deems the breach of the Code to be so serious that the only suitable remedy is the removal of the Member from the Membership Register, or the Member refuses to implement any improvements previously ordered by the panel, then the Panel will instruct Compariqo to remove the Member from the Membership Register.

Any Member removed from the Membership Register will not be permitted to re-join the Membership Register for a minimum period of three years from the date of their removal, and when they re-apply to join the Membership Register they must be able to demonstrate to Compariqo that they have taken all the necessary improvement steps previously ordered by the Panel.



8 Monitoring the Effectiveness of the Code

The Code will be of little value without its active **promotion**, systemic **implementation** of the Code by all Members and, thorough **monitoring** of the effectiveness of the Code.

8.1 Member Reporting Requirements

All Members are required to assess the effectiveness of the Code, through their operation of it, by routinely and systematically conducting:

8.1.1 Consumer Satisfaction Surveys

All Buyers should be invited to complete a Customer Satisfaction Survey on Completion or taking occupation of the Home, and 8-months after handover of the Home to the Buyer. By use of this survey, a large amount of customer satisfaction data can be collected on behalf of Compariqo, which is directly attributable to each individual Member.

This data will be collated and analysed, providing Compariqo with information to identify strengths and weaknesses of individual sellers, show areas in which a sales process can be improved, and provide a log of every customer complaint regarding a sale.

Response rates for the Customer Satisfaction Survey will be monitored and an objective of achieving a response rate in excess of 15%. If the response rate falls below this objective, then Compariqo as Code Sponsor will look to redesign the survey in order to provoke a higher percentage of consumers to participate. Members are welcome to collect their own information on customers however this can only be done in a way that does not negatively impact on the data recorded in order for the Compariqo Code to comply with the CTSI CCAS scheme.

The Customer Satisfaction Survey can be seen in Appendix A.

8.1.2 Member Self-Assessment

Each Member will be required to undertake a Self-Assessment of how their company meets the various standards and requirements set out in The Code. There is also a request for various pre and post sales documents which will be reviewed by Compariqo for compliance to The Code.

The Member Self-Assessment will serve to collect performance-indicating information from Members and to promote positive sales practices among Members of the Membership Register and in the wider UK Market. two functions:


- As a mandatory part of the registration to become a Compariqo Member
- As part of the annual audit, with a request to the Member to repeat this Self-Assessment.

The Self-Assessment Questionnaire can be seen in Appendix B

8.1.3 Annual Audit

The final performance indicator is that of an annual Member audit process conducted using telephone interviews and on-site information.

Telephone interviews will require evidence to be sent to be assessed, which will be combined with on-site information collected during site inspections. This will be conducted at a random sample of Members and together with the requirement to annually self-assess will provide the necessary performance indicating data to identify non-compliant Members of the Compariqo Code.



In order to be sure that the annual audit holds a true representation the sample will seek to attain sufficient size so as to report findings with a confidence level of 95%. Depending on how different actual membership numbers are from the expected, the required quantity of audited sites may change slightly.

8.1.4 Encouraging Improvement in Member's Performance

Because all questions involved in the Self-Assessment and Physical Audit are mandatory requirements, there will be no weighted scoring system applied. If a Member is non-compliant in any area, they must evidence changes in their sales practice in order to become Compariqo Consumer Code approved. When aggregating results, the raw scores will be used for each element of the code.

The Customer Satisfaction Survey will be used to identify areas for improvement of each Member; however, it will not be used for code qualification. The reason for this is that people are more likely to fill in a survey if they experienced a reason for complaint. This skews the data collected and while it is still valuable as a tool for individual Member improvement and identifying overarching areas of weakness, it would be unfair to base code success on data that is recognised as likely to be skewed and not true to the full population of customers.

By using this information to instead provide a tool for Code Member improvement, it will minimise consumer detriment more effectively than if the customer survey was used as a method of code qualification or audit.

Because annual sampling is used to assess compliance, normally statistical models or tools would be used in order to infer the likelihood of compliance for the members who have not been sampled, however due to the nature of the Compariqo Consumer Code, every single subscriber is required to annually self-assess. This means that 100% of Members will submit a self-audit to show compliance, statistical modelling on the self-assessment is therefore not necessary. If data gathered from the annual self-assessment matches the data gathered from the annual audits conducted, there is evidence to infer that compliance to the Code has been met and no remedial action is required.

If however the annual audits show different results to the self-assessments, then non-compliance actions will be conducted by use of the enforcement procedure detailed above.

8.2 Compariqo's Commitment to Continuous Improvement


While monitoring individual Member's returns and performance, Compariqo will continually assess, refine and improve the content and requirements of the Code.

8.2.1 Emerging Undesirable Practices

Ethical Behaviours in the Construction Industry

Compariqo recognises the construction industry is competitive and complex and unethical practices can occur in different ways. These can be practiced by different groups at an individual or business level and materialise in different ways, such as

- **Payment Issues**
Overbilling, or not paying parties in a timely manner.
- **Bribes and 'kickbacks'**
Bribing authorities, or paying kickbacks to win contracts as seen in the recent scandal with Liverpool's mayor and planning officials.

- 
- **Safety issues**
Knowingly engaging in unsafe workplace, building or inspection practices.
 - **Construction Claims**
Inflated or fraudulent claims.
 - **Licensing Issues**
Performing work without proper licensing or falsification of qualifications.
 - **Unreliable Contractors**
Inconsistent performance under contract (such as 'no-show's or half-finished projects)

Ethical Behaviors in relation to the Insurance sale

As with ethical behaviors in the construction industry, a failure to deliver an ethical service when selling insurance, can result in failings or issues which ultimately impact the homeowner. These may include: -

- Under-insuring developments to keep costs low.
- Mis-representing pertinent facts or policy provisions.
- Failing to disclose levels of insurance cover which may prove to be inadequate.
- Not disclosing the level of cover, or inclusions at the point of sale, or providing them in a purposefully confusion way which may lead the developer to believe they are buying a level of cover that they actually are not.

Any sub-standard process at the point of selling insurance to our Members would undoubtedly result in the homeowner inheriting insurance cover that is sub-standard to their needs.

While monitoring individual Members performance, Compariqo will also look at the wider external environment to stay aware of emerging undesirable practices and cooperate with Key Stakeholder organisations who are equally committed to promoting consumer protection. This will include horizon scanning, reviewing various certification schemes, enforcement bodies, such as HSE as well as monitoring news alerts and publications that highlight emerging issues.

8.2.2 Quarterly Statements and Annual Report

By implementing the proposed monitoring methodology, Compariqo will be in a position to quickly respond to all valid requests for information on the results of the performance indicators or the effectiveness of the Compariqo Consumer Code.

Compariqo will prepare and publish three Quarterly Statements of Builder and Developer returns and a fourth quarter Annual Report containing a more detailed Statistical Analysis of the Member results, including ratios of performance against the key criteria of the Code.

The Compariqo Executive Director responsible for the operation of the Code will, within the Annual Report referred to above, include a report of noteworthy items, and key headlines relating to the operation of the Code and will propose any refinements to the Code to be implemented in subsequent years of its operation.

Every year, the Compariqo Code Annual Report will be submitted to the Chartered Trading Standards Institute and will be published on Compariqo's website. All reported results will be statistically valid and to a minimum confidence level of 95%. If for any reason results cannot be stated to this degree of confidence, then it will be clearly explained in the report why this is the case. See section 8.1 for further clarification on minimum sample size to achieve the required confidence levels.

As stated in previous sections all statistical tests and models use a confidence level of 95% with a maximum of 5% confidence interval. A standard deviation of 0.5 was assumed for the population,

the exact value is unknown but 0.5 will produce a conservative estimate of variance. Before any data has been collected, it is impossible to make sure that it follows a normal distribution, however once information has been collected, at no point shall a normal distribution be assumed before the dataset has had a normality test applied.

When fitting statistical models, linear regression lines, trends and time series to data for reporting purposes, due consideration will be given to any patterns in the residuals to try and identify any potential problems with assumptions in the model.

No data points will be removed from any statistical analysis without excellent reason, if reason for removal does exist, then records will be kept of the event.

Where Code Members have been highlighted as an area for concern and further audit, due to poor performance or communication with Compariqo, proper account of this will be considered and documented when aggregating results for the period. This is to avoid unduly biasing any produced result or report.

8.2.3 Ongoing Consultation with Key Stakeholders

Compariqo is committed to working in close cooperation with Key Stakeholder organisations who Compariqo recognises are equally committed to promoting consumer protection and best practice in the construction, sales and marketing of Homes in the United Kingdom. Stakeholders with whom Compariqo will cooperate closely include:

- ❑ Chartered Trading Standards Institute (“CTSI”)
- ❑ The Property Ombudsman (“TPO”)

8.3 Summary of Compariqo Code Monitoring and Risk Regime

Code requirement	How measured and when	Evidence collected	How results reported	Frequency	Risk	Other comments
Adopting the Code	1. Membership applications 2. Membership renewals	Through Membership applications and Renewals Annual self assessment	Annual Code report	Annual	Low	100% of code membership base will submit this information
Making the Code Available	1. Customer satisfaction survey 2. Annual audit 3. Self-Assessment	Customer reviews Questionnaire results Audit reports	Quarterly statements Annual report	Quarterly & Annual	High	Annual audit of 180 sites Target >15% Customer satisfaction surveys response
Customer Service Standards	Reported complaints Customer satisfaction survey	Complaints review Questionnaire results	Quarterly report Annual report	Complaint review Quarterly & Annually	Low	
Appropriately Trained Staff	Membership applications and renewals	Through Membership applications and	Survey results	Quarterly & Annual	High	





	Registration to e-learning and CPD	Renewals	Quarterly statements		
	Annual audit	Self-Assessments	Annual report		
	Reported complaints	Annual Audit			
		Customer surveys			
Sales and Advertising material – must be clear and truthful	Annual audit	Annual Audit results	Survey results	Quarterly & Annual	Medium
	Customer survey	Complaints review	Quarterly statements		
		Customer satisfaction reports	Annual report		
Identifying and Responding to the needs of Vulnerable Consumers	Membership applications and renewals	Annual self-Assessment of training	Survey results	Quarterly & Annual	Medium
	Registration to e-learning and CPD	Annual Audit	Quarterly statements		
	Customer Survey Data	Customer Satisfaction Surveys	Annual report		
	Reported alterations to standard protocol				
Pre-Contract Stage Information	Customer Survey Data	Annual audit results	Survey results	Quarterly & Annual	High
	Annual Audit	Customer satisfaction reports	Quarterly statements		
			Annual report		
Exchange of Contracts Stage	Customer survey data	Customer satisfaction reports	Survey results	Quarterly & Annual	Medium
			Quarterly statements		
			Annual report		
Complaints and Disputes	Reported complaints	Complaints review	Survey results	Quarterly & Annual	Low
	Customer satisfaction survey	Questionnaire results	Quarterly statements		
			Annual report		



8.4 Goals and Key Performance Measures in the Code

KPI	Why measure	How measured	Outcome
80% of home buyers are either satisfied or very satisfied with the service provided by their home builder during the sales/buying process	Measures the performance of the home builder during the pre-purchase, pre-contract and exchange process to deliver the new home as promised and on time	Annually through the Customer Satisfaction Survey	Monitor satisfaction levels against member home builders and to identify any that may not be meeting the Code so that appropriate steps to remedy can be taken
80% of home buyers are either satisfied or very satisfied with the after sales service provided by their home builder after they moved in	Measures the performance of the home builder after completion to deal effectively with any post completion issues such as “snagging” matters which form part of the customer service	Annually through the Customer Satisfaction Survey	Monitor satisfaction levels against member home builders and to identify any that may not be meeting the Code so that appropriate steps to remedy can be taken
85% of homebuyers could either recall (or were unable to recall) receiving a copy of the Consumer Code during the buying process. Conversely, those home buyers that say they did not receive a copy of the Consumer Code should not rise above 10%	Measures the level of awareness of the Consumer Code and the protection it affords during the pre-purchase and purchase stage.	Annually through the Customer Satisfaction Survey	Monitor the awareness levels of the Consumer Code to determine if more needs to be done at point of sale and/or training with home builders and their agents
5% or less of complaints raised (measured against the number of new homes completed) should be resolved via ADR	Measures the level of dissatisfaction with a home buyer as well as a home builder’s ability to manage and deal effectively with a complaint	Quarterly through the number of cases that have gone through ADR against the number of reported house completions (as an average) as reported in the Housing Market report	Monitors the home builder’s compliance with the Consumer Code and their effectiveness when dealing with customer service issues. Identifying if particular members are failing in this regard and whether further training/support required



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