

## HOMEBUILDERS REMAIN COMMITTED TO LAUNCHING CONSUMER CODE

Responding to The Office of Fair Trading's (OFT) statement that the industry was no longer working to the agreed timescale, and that as a result they were making their backstop recommendation to government, Rod MacEachrane, Chairman of the Consumer Code Management Board said:

"We are surprised and disappointed that the OFT has decided to make this statement. We have had a series of very constructive meetings with the OFT over recent months, the last of which was on 9 July where we were discussing, in parallel with the ongoing development of our industry self-regulatory code, the options for a voluntary application to the OFT under the Consumer Code Approval Scheme (CCAS). At that meeting the OFT provided a schedule of issues they may wish to see addressed if an application was to be made under CCAS and we agreed to take those matters away for further consideration.

"There was no indication from the OFT that they had issues with our working to the timescales for the code itself. In any event, I would stress, that any decision related to a CCAS application does not impact upon the work of developing of our code in line with the timescales agreed in the OFT study of September last. Accordingly, regardless of this sudden change of position taken by the OFT, we remain committed to delivering the Code as promised in March 2010.

"In pursuit of this, a huge amount of work has gone into developing the scheme that will raise standards of customer care for the purchasers of new homes. As an industry we have fully engaged with the OFT and have responded promptly to their concerns when raised. In the absence of definitive evidence on a number of issues, we have sought our own evidence to support the proposals we have made. Despite a number of changes in the guidance as to the most appropriate voluntary route to follow, we have always aimed to be consistent in our approach and to conduct ourselves in a spirit of genuine co-operation.

"Going forward, we will continue to communicate with the OFT and engage with government to ensure that the scheme is not held up as a result of the OFT announcement, and that it brings the intended benefits to new home buyers. Indeed we are already planning a large scale industry training programme in the coming months to ensure that builders are fully prepared for the Code when it goes live next year."

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**NOTES TO EDITORS**

1) The industry Consumer Code is being developed as a result of the findings of the Market Study into house building in the UK, undertaken by the OFT and launched in September 2008. The OFT Market Study effectively gave the industry a clean bill of health but recognised the fact that improvements were needed in levels of customer care. The study endorsed industry plans to develop the Code, as a way of addressing the issues raised.

2) The Consumer Code for Home Builders has been developed according to a series of milestones agreed with the OF as follows:

Milestone 1 : December 2008 – formation of the Industry Code Board

Milestone 2: March 2009 – Code and ADR framework developed in consultation with consumer bodies, industry and government.

Milestone 3: September 2009 – administrative and operational arrangements to support the Code scheme to be in

Milestone 4 : March 2010 - Launch and implementation of Code

3) A Code Body has been formed by way of a formal Co-operation Agreement between NHBC and MD Insurance Services (trading as Premier Guarantees). A Code Advisory Forum, advising the Code Body, consists of representatives from:

*Construction Employers Federation (Northern Ireland)*

*Council of Mortgage Lenders*

*Federation of Master Builders*

*Home Builders Federation*

*House Builders Association*

*Homes for Scotland*

*NHBC*

*MD Insurance (Premier Guarantee and LABC New Home Warranty)*

*Retirement Housing Group*

- 4) The purpose of the Consumer Code for Home Builders is to build on the high level of protection that home buyers receive in this country through Home Warranty cover issued by NHBC and Premier. The Code covers the non technical issues (those of customer service and provision of information) at the various stages of property purchase and during the first two years after completion. It will also incorporate an independent dispute resolution scheme.
- 5) The Code document has been through an external consultation and has been reviewed by the Plain Language Commission.