Consumer Code

for

Developers of Homes for Sale

Registered in United Kingdom. No. 09135644.
Registered office: AHCI Limited • Parkgate Bury New Road • Prestwich • Manchester • M25 0JW

Advantage
Structural Defects Insurance

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Section 1 - INTRODUCTION

The purpose of the Code is to ensure that Home Buyers are treated fairly, know what service levels to expect, receive reliable information upon which to make their decisions and know how to access speedy, low-cost dispute resolution arrangements if they are dissatisfied.

The Code applies to all Home Buyers and Homes stated in the Scope of the document and Advantage AHCI is responsible for managing the Code.

Home Buyers, who think they have a dispute because a Home Builder has failed to meet the Code requirements, may refer their dispute to an independent Dispute Resolution Scheme.

The Consumer Code Management Board will arrange for surveys to check how well the Code is working and measure consumer satisfaction. In carrying out the surveys, the relevant sections of the Data Protection Act will be complied with.

To establish how well the Code is being applied, or whether it needs to be amended or updated, there will be audits conducted on an annual basis along with reviews, assessments of customer satisfaction feedback, complaints process and guidance for members. There may also be mystery shopping surveys.

Nothing in the Code affects Home Buyers' existing legal rights.

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Section 2 - PREFACE

Developers applying for or taking out a warranty on a development with AHCI shall comply with this Code. This Code may be amended at any time and any amendments will apply to all developments registered with the Advantage Warranty after such time as notice of such the amendment(s) is adopted.

This Code is effective from 01 May 2016.

Compliance by the Developer with this Code is a condition precedent to the Underwriter providing insurance for any proposed Development and is designed to protect consumer interests at all times.

Defined terms and interpretations used in this Code are set out in this document under the heading 'Definitions and Interpretations'

Any dispute or claim arising out of or in connection with this Code shall be governed by and construed in accordance with the laws of England and Wales.

Please appraise this Code document carefully as all Developers will have legal responsibilities and obligations under this Code to all Consumers but any queries should be directed to the Scheme Administrator – AHCI Limited.

Section 3 - SUMMARY OF COVER

BACKGROUND

The AHCI cover provided (the policy) is designed to meet the insurance cover required to be provided in respect of new home warranty schemes in accordance with the Council of Mortgage Lenders Handbook for England and Wales.

AHCI is committed to maintaining the highest standards in terms of ensuring that houses are built to the highest possible standards and also in the standard of service it provides to all our clients and business partners and consumers and their appointed third parties.

The Developer must comply with Building Regulations and the requirements of the authorised Building Control Body involved in inspecting their work and protect the interests of the consumer at all times. These regulations are statutory requirements and are focused mainly around health and safety, access for the disabled and conservation of fuel and power issues. For Residential Property(s) insured under AHCI the Building Control function can be undertaken by either Local Authority Building Control or an Approved Inspector.

Approved Inspectors are only able to carry out Building Control of building work involving the creation by new build or conversion of any dwellings for sale if they are registered with AHCI. They are required to check that the dwellings are registered under a designated warranty scheme before undertaking Building Control.

POLICY COVERAGE

The relevant Policy document should be read carefully and in conjunction with these Rules. The Insurance Term Certificate issued for each New Development will detail the sections of cover which are applicable. The Building Term Certificate should be read carefully and in conjunction with the wording of the Policy.

AHCI Limited. are aware of recent events concerning Developers building on designated Flood Plain areas and the risks concerning subsequent flooding but from an insurance aspect it would be an issue for the building insurance provider and would not be relevant to any latent defects warranty insurance.

Section 4 - DEFINITIONS & INTERPRETATIONS

In this document, unless the context otherwise requires, the following terms shall have the following meanings to them;

- ✓ **Agent;** a person, firm or company used by a Home Builder to deal with any matter on their behalf (for example, an estate agent or contractor).
- ✓ **Application form;** means the membership form.
- ✓ **Approved Inspector;** any person, sole trader, partnership, company or other organisation authorised by the Construction Industry Council who or which carries out Building Control for the development and who or which is registered with AHCI Limited.

- ✓ **Bond;** means AHCI Warranty's road and sewer bond pursuant to which the Underwriter agrees to provide certain cover to a third party in the event that the company fails to fulfil its obligations to carry out certain works under an agreement with such third party.
- ✓ **Developer;** contractor and/or builder of a new or converted property for sale to members of the public (home buyer) who has registered the property with Advantage AHCI for a warranty and whom is registered with AHCI or as the meaning given to such term in the Policy,
- ✓ **Building Period Schedule;** the certificate issued under the Residential Property Policy by the Scheme Administrator on behalf of the insurer signifying its agreement to; 1) the provision of the insurance cover for Section A of the policy (if applicable) for the Residential Property during the Building Period and/or 2) the provision of the insurance cover under the other Sections of the Policy, subject to (and commencing upon) the insurance of the insurance period of certification for the Residential Property,
- ✓ **Consumer Code;** or Code – a set of requirements to be adopted by Developers, as updated from time to time,
- ✓ **Certificate of insurance;** has the meaning given to such term in the Policy (or, where applicable, in the Bond).
- ✓ **Company;** means, as the context shall permit or require; 1) the person, firm, company or other organisation whom or which applies to be registered with AHCI in accordance with and pursuant to these Rules; 2) the person, firm, company, or other organisation whom or which applies for a warranty on a development with AHCI or 3) a Developer or a Builder or both of them (and Companies shall be construed accordingly),
- ✓ **Completion;** Instance when the property's ownership is transferred from the Developer to the Home Buyer.
- ✓ **Conciliation Service;** has the meaning given to such term in the Policy.
- ✓ **Contract Notification Form;** means the form so entitled which is submitted by the Company for a proposed development in respect of which the Company wishes to effect insurance under the AHCI Scheme.
- ✓ **Contract of Sale, Contract Exchange, Legal Completion** – the terms employed in England and Wales for the legal documents used and the formal stages that occur during the sale of a property. In Scotland these documents and stages are known respectively as Missive (or Builder's Missive),Conclusion

of Missive and Settlement. In Northern Ireland they are known respectively as Contract of Sale, Formation of Contract and Completion. Where this document uses the terms for England and Wales, the terms for the other countries are implied.

- ✓ **Defect;** has the meaning given to such term in the policy.
- ✓ **Defects Insurance Period;** has the meaning given to such term in the policy.
- ✓ **Developer;** has the meaning given to such term in the policy under the Residential Property Scheme.
- ✓ **Disputes;** has the meaning given to such term in the policy.
- ✓ **Dispute Resolution Scheme** – an independent process set up to deal with Code disputes that falls outside the Home Warranty Body's cover.
- ✓ **Escrow;** Something of value, such as a deed, stock, money, deed or written instrument that is put into custody of a third person by its owner, a grantor, an obligator or a promsior to be retained until the occurrence of a contingency or performance of a condition.
- ✓ **FCA;** (Financial Conduct Authority); Organisation which works to protect consumers from the harm that can be caused by bad conduct in the financial services industry.
- ✓ **Final Certificate;** the certificate issued under the Residential Property Scheme by the Approved Inspector following completion of the Building Control function for a residential property or development.
- ✓ **Final Schedule;** the certificate issued by AHCI following receipt of the Final Certificate issued by the Building Control body for the residential property and/ or development.
- ✓ **Home –** a property that a Home Builder registers with a Home Warranty Body to obtain Home Warranty Body's cover, excluding exemptions.
- ✓ **Home Buyer –** a person who Reserves or buys a Home, excluding exemptions. For Homes Reserved or bought jointly by two or more people, the Home Buyer's rights will be joint.
- ✓ **Home Warranty Body** – any organisation that: 1) has agreed to support the Consumer Code for Home Builders Scheme; 2) maintains a register of builders and developers; 3) provides Home Warranty cover; 4) has undertaken to enforce the Code details of participating Home Warranty Bodies are available from the Consumer Code website: www.consumercodeforhomebuilders.com

- ✓ **Home Warranty** – an insurance-backed warranty that a Home Warranty Body issues to protect Home Buyers.
- ✓ **Insurance Term Certificate;** A document issued by an insurance company/ broker that is used to verify the existence of insurance cover under specific conditions granted to listed individuals. More specifically, the document lists the effective date of the policy, the type of insurance coverage purchased and amount applicable.
- ✓ **LABC;** Local Authority Building Control.
- ✓ **New Development;** has the meaning given to such term in the Policy (and New Developments shall be construed accordingly).
- ✓ **Policy;** means the relevant AHCI policy of insurance issued by the Scheme Administrator on behalf of the insurer in respect of the relevant New Development.
- ✓ **Policyholder;** has the meaning given to such term in the Policy.
- ✓ **Proposal Form;** means the form so entitled which is submitted by the Company for a proposed New Development and/or Property in respect of which the Company wishes to effect insurance.
- ✓ **Registration Form;** means the form which is submitted (or where the context requires, which is required to be submitted) by the Company in respect of its application to be registered with AHCI.
- ✓ **Reservation –** when a Home Buyer and a Developer jointly make a written statement of intent (subject to contract and whether or not a fee is paid) to buy and sell a Home. Reserved and Reserve carry the corresponding meaning.
- ✓ **Reservation Fee –** A fee that reserves the Plot following the signing of a Reservation Agreement.
- ✓ **Residential Property;** has the meaning given to such term in the policy.
- ✓ **Rules;** means these Rules of Registration.
- ✓ **Scheme administrator;** A person or body who can appoint someone to act on their behalf (e.g. a practitioner) in relation to one or more aspects of the management of the scheme and authorised to liaise and/or deal with that practitioner direct.
- ✓ **Site Audit Surveyor;** means the surveyor appointed by the insurer to carry out checks and inspections on behalf of the insurer (and who, where applicable, issues a Final Certificate).

- ✓ **Snagging;** Minor cosmetic issues with the construction work relating to the plot which require to be completed.
- ✓ **Social Housing Scheme;** means the AHCI scheme which provides cover in relation to social housing.
- ✓ **Specification;** General description of building materials used in the construction and/or conversion process of a property e.g. wall construction.
- ✓ **Structural Insurance Period;** has the meaning given to such term in the Policy.
- ✓ **Technical Manual;** means the relevant manual as defined in the Policy.
- ✓ **Underwriter;** has the meaning given to such term in the Policy.
- ✓ **Vulnerable Consumer;** is someone who finds it difficult to choose or access essential products and/or services (due to their personal circumstances), which are suitable for their needs or who are unable to do so without disproportionate time, cost and/or effort. The legal definition of a Vulnerable Person is someone who is over the age of 18 whose ability to protect him or herself from violence, abuse or neglect is significantly impaired through physical, mental or psychological disability or illness, through age or otherwise through age or otherwise.
  The vulnerable adult must also be shown to be on some significant level, a risk to him or herself if assistance is not provided.
  For the purpose of the Consumer Code, a Vulnerable Person also includes person or persons who require the use of a translator, this could also include someone who requires an interpreter for sign language.

Section 5 - ADOPTING THE CODE

- ✓ Developers must comply with the requirements of the Code and have regard to the good practice and/or guidance to protect consumer interests.
- ✓ The Developer must display the Code and give, without charge, a copy to customers who request it and to all Home Buyers who reserve a Home.
- ✓ The Developer should also inform their customers that further guidance is available and how they can get this.
- ✓ The Developer must provide suitable training to all staff who are involved with

Home Buyers about their responsibilities to them and what the Code means for the company and its Directors.

- ✓ The Developer must have suitable systems and procedures to ensure it can reliably and accurately meet the commitments on service, procedures and information in the Code.

- ✓ The Code is a mandatory set of requirements to ensure best practice before, during and after the purchase of the property.

- ✓ If the Developer chooses to adopt a different approach to satisfy Code requirements then this must provide a similar level of information and produce a comparable outcome to the Code.

- ✓ Where it is proven that a Developer is in serious breach of the Code, AHCI may enforce a range of sanctions including removal from the Directory and/or Registers maintained by other home warranty bodies.

- ✓ Members must sign an annual declaration to abide by the terms and conditions of the Code.

TERMS OF REGISTRATION

It is a requirement of these Rules that the Company:

a) (to the extent applicable to it) complies with the requirements of the Code;

b) honours any award made against it under any independent **Dispute Resolution Scheme.**

c) Complies/respond to audits and provide documentary evidence as requested such as a copy of the Home Buyers Pack

Where a Company is found to be in breach of the Code, the Underwriter may (without prejudice to any other rights or remedies it may have) terminate the Company's registration under AHCI Limited. This includes failure to participate in the above mentioned audits.

Copies of the Code and appropriate guidance can be viewed or downloaded from our website; www.AHCI.co.uk.

Section 6 - SCOPE OF THE CODE

The Code covers complaints within a ten-year period from practical completion. However, the two-year period alluded to is the contractor liability period stated in AHCI's policy whereby the Developer is liable for the rectification of any major structural defects that cause a claim against the policy. Therefore this does not affect the Consumers right to complain during the ten year period of cover.

Second or subsequent Home Buyers benefit from the Code Requirements but only on after sales matters they report within two years from the Home Warranty cover's start date.

The Code and the associated Dispute Resolution Scheme do not apply to:

- ✓ Properties constructed under an Architects Certificate,
- ✓ Properties built by self – builders or under contract between a Contractor and an individual for their own occupation,
- ✓ Properties let on a short term assured tenancy agreements,
- ✓ Properties acquired for investment purposes,
- ✓ Properties acquired by Registered Providers or Second-hand properties (e.g. properties taken by Contractors in part exchange and re–sold).
- ✓ Properties obtaining a policy retrospectively
- ✓ Properties being built by a Housing Association

The code does not cover disputes that concern;

- ✓ Claims that are covered by the AHCI Warranty,
- ✓ Claims where the amount of redress claimed exceeds the limits of the Dispute Resolution Scheme,
- ✓ Personal injury,
- ✓ Loss of property value or blight,
- ✓ Claims concerning land conveyed or its registered title.

Section 7 - ACCESS TO THE CODE

To protect consumer interests the Developer must:

- ✓ Make the Code available to existing and prospective Buyers (free of charge) and in format(s) that allow them easy access remotely and/or are able to away for further perusal. E.g. hard copies or electronic via www.AHCI.co.uk
    - ✓ Unavailable formats such as audio, must be provided within ten working days of customer request.
- ✓ Display the Code in public areas such as Show Houses, Sales Offices etc. and must be included in the Buyer's Reservation Agreement.
- ✓ Help Vulnerable Customers (please refer to the definition of a Vulnerable Customer within Section 4) to make informed decisions by ensuring that they understand the Code, their purchase and responsibilities by taking their specific needs into consideration. A comprehensive list of organisations and contacts may be found on the following website; www.gov.uk dependent on the individual's perceived vulnerability.
- ✓ Provide details for the Citizens Advice Bureau as they may be required;

How to contact Citizens Advice Bureau

By telephone

- ✓ For England call 03444 111 444
- ✓ For Wales call 03444 77 20 20
- ✓ For Scotland call 03454 04 05 06
- ✓ For Northern Ireland 028 9023 6522

How to find your local bureau

- ✓ For England and Wales visit: www.citizensadvice.org.uk/index/getadvice.htm
- ✓ For Scotland visit: www.cas.org.uk/bureaux
- ✓ For Northern Ireland visit: www.citizensadvice.co.uk/pages/bureaux/

Section 8 - CUSTOMER SERVICE & STAFF TRAINING

- ✓ Developers and their employees (whether Full, Part time and/or Agency staff) will be required to maintain consistent and suitable levels of customer service at all times and provide staff training on an annual basis and in line with the Code requirements. This will include training in how to identify and service vulnerable customers.

- ✓ Developers must monitor and update staff training on a regular basis which may involve one to one mentoring or group sessions which may involve circulation of new legislation or updated codes via Q and A and/or power point presentations with internal assessments. Evidence of compliance will be requested by AHCI Limited. and should be made available if requested.

- ✓ They must also ensure that the Code, relevant compliance documentation, rules and policies etc. are lodged with third parties and on - going assessment of third parties to ensure compliance measures and due diligences are maintained.

Section 9 - SALES AND ADVERTISING

Sales material and advertising must use content which is transparent, clear, truthful and compliant with the relevant code of advertising and the law.

Developers must make it clear in their advertising that they are members of and adhere to the AHCI Code for developers of homes for sale and must ensure all staff are aware of their responsibility and requirements under the Code to protect consumer interests.

Advertisements must comply with any relevant code of advertising including:

- ✓ UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing
- ✓ The Television Advertising Standards Code
- ✓ The Radio Advertising Standards Code
- ✓ The PhonepayPlus code for all premium rate charged telecommunication services
- ✓ Any other relevant code of advertising
- ✓ All other relevant statutory requirements, such as the Consumer Credit (Advertisements) Regulations 2010 (as amended)

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Consumer Code Agreement & Membership Form

Please remove this centre fold, complete both forms and return to AHCI Limited in the pre-paid envelope provided.

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Consumer Code Agreement

(To be completed by the company requesting the policy)

Company Name: _____

Company Number: _____

Business Address: _____

_____

_____

Contact Name: _____

Phone: _____

Mobile: _____

Email: _____

Project Address: _____

I / We have read and understood the implications and responsibilities of the Consumer Code as a member of AHCI Limited and agree to adhere/comply with the relevant requirements.

Signature of Member: _____

Print Name: _____

Date: _____

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Membership Form

(To be completed by the company requesting the policy)

This general information is required in order to apply for our Structural Defects Insurance. You must first become a member or currently hold a valid membership on our register.

Section 1 – Membership

New? ☐ £420
Renewal? ☐ £300

Note: If you have received a Premium Indication from us, the cost of Membership will have been included in the costing.

Section 2- Supported ID

If your company is NOT Limited, you must provide at least one form of Identification to support your Membership. This is a compulsory therm and is required for your Quote to be processed and completed.

Please indicate which form of I.D. you are to provide by ticking the relevant box.

☐ Current UK non-photo Driving Licence
☐ A current Passport
☐ UK Birth Certificate
☐ A letter addressed to the Company or Individual in question i.e. Utility Bill (preferred)

Section 3 - Company Details

Contact Name: _____

Company Name: _____

Company Number _____

Registered Address _____

_____

_____

Telephone: _____

Authorised Signatory: _____

Print Name: _____ Date: _____

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End of Consumer Code Agreement & Membership Form

Please remove this centre fold, complete both forms and return to AHCI Limited in the pre-paid envelope provided.

Developer shall NOT mislead the Buyer regarding;

- ✓ Size
- ✓ Specification
- ✓ Pricing
- ✓ Completion dates
- ✓ Energy Performance Ratings
- ✓ Mobility Adaptations
- ✓ Warranty Provision
- ✓ Future phases
- ✓ Facilities on the completed development
- ✓ Pressure Selling

Facilities on the completed development OR pressure sell concerning;

- ✓ Encourage a reservation by implying there are other interested parties
- ✓ Imminent price increases
- ✓ Offering financial incentive for an instant decision
- ✓ Encourage a reservation by refusing the opportunity to personalise the property where the stage of construction would still permit
- ✓ Part exchange schemes must be transparent and provided in writing. They must include;
  - a) full terms and conditions,
  - b) any deductions made and how a fair valuation was reached which must be independent and from more than one course and who must be a member of the Property Ombudsman Scheme
  - c) qualifying criteria for Buyer,

Where Part Exchange offers are made to Developers, it must clearly state;

a) full terms and conditions,

b) details of all fair market valuations obtained and source,

c) any deductions of valuations,

d) offer acceptance date and/or deadline and consequences of not accepting offer by stated date,

e) date of proposed part exchange and

f) completed purchase date.

Vulnerable Consumers

The Developer shall ensure that all consumers and in particular vulnerable customers are;

- ✓ Given every assistance to help them in making a decision,
- ✓ Are treated fairly,
- ✓ Are given reliable information upon which to make a decision.
- ✓ Work with a translator if required to do so.

Section 10 - HEALTH AND SAFETY

VISITORS TO DEVELOPMENTS UNDER CONSTRUCTION

- ✓ Both buyers and/or consumers must undertake a site induction course or be provided with relevant and appropriate health and safety information PRIOR to entering the construction site,

- ✓ Appropriate Personal Protective Equipment (PPE) must be worn at all times subject to the requirements of the induction and/or risk assessment carried out by the Developer,

- ✓ The Developer must ensure that the Buyer and/or Customer are fully aware of their responsibilities whilst on site and ensure that they sign the relevant induction paperwork accordingly.

- ✓ Access to the site must remain clear with signage at all times e.g. pathways and clear and appropriate signage displayed at all times.

LIVING ON DEVELOPMENTS UNDER CONSTRUCTION

- ✓ ALL Buyers must be informed of the Health and Safety requirements of the Developer whilst resident on site.

- ✓ The Developer must show due diligence to the requirements of the Construction design Management Regulations 2015 (as amended).It is recommended therefore that this information is included within the After Sales documentation.

Section 11 - PRE – PURCHASE INFORMATION REQUIREMENTS

Buyers must be given sufficient pre purchase information regarding a plot to enable them to make an informed decision. This will include;

- ✓ List of contents of dwelling e.g. type and standard of fixtures and fittings,
- ✓ A copy of the plans indicating items such as location, size, and utilities provided such as gas, water, electric etc.
- ✓ Likely date which property will be available for occupation,
- ✓ Details of after sales maintenance and period of service together with costs,
- ✓ Copy of relevant detailed Reservation Agreement,
- ✓ Summary of AHCI Warranty cover including company contact details,

It is important that the Developer can provide advice to the Buyer (if requested) on professional assistance with the purchasing of a home BEFORE exchanging contracts.

If the Buyer seeks a recommendation of an advisor from the Developer then the Developer must recommend more than one independent advisor wherever possible.

The Buyer must be informed if there is a commission in referring a particular Conveyance Service.

The Developer must also ensure that contact details of competent personnel are provided to the Buyer in case any questions or problems arise BEFORE completion including who to contact if they should have any complaint under the Code.

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Section 12 - RESERVATION AGREEMENT

A reservation agreement is frequently used in the sale of new homes when a buyer reserves the right to buy the property for a period of time (the reservation period) and pays a fee. The developer states that they will not sell the property to another during the reservation period. If the buyer decides to buy the property, any fee is deducted from the deposit paid on exchange of contracts. If the buyer decides not to proceed with the purchase, they can cancel the reservation agreement at any time during the reservation period and the developer will reimburse the reservation fee after deduction of expenses (e.g. legal and administrative expenses).

A reservation agreement must state:

- ✓ The amount of the reservation fee,
- ✓ What is being sold (for example, plot number and garage or parking space if separate),
- ✓ The purchase price,
- ✓ How long the price will remain valid,
- ✓ The deadline date when the reservation agreement will end if contracts are not exchanged,
- ✓ The expenses that will be deducted from the reservation fee if contracts are not exchanged.

Once the Reservation Agreement has been made between both parties, the Developer's legal representative will forward the Contract of Sale and associated documentation to the Buyers legal representative.

The Buyer must be in possession of the summary of the Advantage Warranty and relevant contact details of **AHCI Limited**.

The Buyer must be in receipt of a Reservation Agreement in a format which is understood and in plain English and includes;

- ✓ Details of plot including price, house type, plot number, development name etc.
- ✓ Details of Reservation fee and terms (refundable or non refundable),

- ✓ Any administration fees applied by Developer,
- ✓ Confirmation of the details of the Reservation Agreement,
- ✓ Expiry date of agreed price,
- ✓ Contract exchange date and additional information such as statements written or otherwise,
- ✓ Pre purchase information,
- ✓ Part exchange terms,
- ✓ Details and costs of any Management / Maintenance services.

The Developer and Buyer must be in possession of a signed copy of the Reservation Agreement and the Developer must not attempt to sell the plot to a third party until such time as the Reservation Agreement has expired.

The Reservation Agreement may be cancelled by the Buyer or extended by mutual agreement between both parties. The Reservation Agreement automatically expires if no Contract of Sale takes place within the specified time frame.

The Reservation Fee must be refunded in full if the Buyer cancels within 7 calendar days or be reimbursed in full within 14 days if it expires less any agreed amounts payable to the Developer.

The Reservation Fee must be held in a designated separate client account by the Developer unless a credit card payment has been made.

Any changes to the Buyer's request and agreements regarding payments must be set out and agreed formally in writing and signed by both parties in relation to either the Contract and/or Reservation Agreement and must include both Cancellation Rights and Refund Rights and details of timescales for the completion and occupation of the plot.

N.B

The Warranty covers complaints within a ten year period from practical completion. However the two year period alluded to in AHCI's policy is the contractor liability period whereby the Developer is liable for the rectification of any major structural defects that causes a claim against the policy. Therefore this does not affect the Consumers right to complain during the ten year period of cover.

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Section 13 - THE CONTRACT

The Developer's legal representative shall forward the Contract and all associated documentation to the Buyer's independent legal representative at the earliest opportunity after the date of the signing of the Reservation Agreement

The terms and conditions of the Contract must;

- ✓ Define the Legal Completion Notice period,
- ✓ Be written in plain English and be fair and clear,
- ✓ Comply with the Consumer Rights Act 2015,
- ✓ Clarify and define any spoken agreements between the parties in writing,
- ✓ Inform Buyers of reasons and rights of termination such as unreasonable misrepresentation of the plot details or excessive delay in completion and hand over.

An information pack should also be issued to the Buyer which should include;

- ✓ An AHCI Warranty and all associated documentation,

Details of how to submit complaints covered by either the Code or Financial Ombudsman Service (FOS).

Section 14 - AFTER CONTRACT EXCHANGE

- ✓ If the value of a plot is altered due to a change of design and/or specification then the Developer must formally consult with the Buyer and receive written agreement for the changes,
- ✓ If the Buyer does not agree with the alterations that have materially affected the value of the plot then they may cancel the Contract and have their deposit and/or withholding fees returned,
- ✓ The Buyer must be made aware of the deposit protection covered by both the Advantage AHCI Warranty and Reservation Agreement within the Code,
- ✓ Any minor changes or alterations to the plot to either the size, appearance and/or value should be communicated to the Buyer,
- ✓ All information should be conveyed to the Buyer who may want to consider consulting their independent legal advisor.
- ✓ The Buyer's solicitor must contact AHCI Limited once the sale has been completed to confirm the buyers name and details so that the Final, or Insurance Period, Certificate can be amended and therefore remain valid.

Please note that any amendments done to any documentation provided by AHCI Limited, such as the policy certificates or policy wording, will immediately render the policy invalid without the prospect of refund or reimbursement.

Section 15 - TIMINGS OF PRACTICAL COMPLETION AND/OR HANDOVER

- ✓ A schedule indicating timings of key stages and practical completion should be provided by the Developer for the Buyer and should be included within the information pack, which should be frequently updated and as accurate as possible.

- ✓ Practical completion will depend upon the build stage but the Developer should inform the Buyer at what point the plot is likely to be ready. The process is usually governed by stages of construction and conveyed to the Buyer either monthly and/or quarterly. For example; indicate the week that decoration is likely to be completed.

- ✓ Before handover of the plot to the Buyer takes place, a final internal and external inspection should be undertaken and identification of any outstanding works noted via a snagging list. In addition, the Developer must provide guidance on snagging and inform the Buyer on how to report any issues.

- ✓ Details of all Warranties and Guarantees for the plot should also be produced. The developer must provide information on each warranty including their responsibilities which may affect cover.

- ✓ Contact details and information concerning after sales service and emergency protocol should also be provided, including complaints procedures to be followed.

- ✓ No misrepresentation including high pressure selling of additional warranties, guarantees, cover, costs or benefits are to be undertaken at any time or under any circumstance during this process.

Section 16 - AFTER SALES SERVICE

Developers must provide a 'Home Buyers Pack' to ALL Buyers and provide the following information;

- ✓ Duration of after sales service,
- ✓ Guarantees and warranties which apply to property,
- ✓ Procedure for dealing with emergencies,
- ✓ Contact details, including who to contact during first two years of AHCI Warranty scheme,
- ✓ Developer should NOT use a premium rate number.

If the Developer is required to visit the property to undertake works then they should ensure;

- ✓ A mutually convenient appointment has been made with an adult present to represent the Buyer,
- ✓ Contractor or sub – contractor acting on their behalf should provide appropriate identification BEFORE entering the property,

- ✓ Be respectful and polite,
- ✓ Leave the work area clean and tidy and remove all debris from site,
- ✓ Ensure appropriate protection is provided to fixtures and fittings,
- ✓ Wear overshoes where necessary,
- ✓ Ensure work clothes are clean and presentable.

Section 17 - CONTACT INFORMATION

- ✓ The Developer must ensure contact details are available at all times which includes pre contract, during and after handover to ensure the Buyer receives information within a reasonable time period,
- ✓ Minimum contact details include telephone numbers (land line and mobile), e- mail address and times when the Developer and their staff will be available, including weekend times,
- ✓ The developer must ensure that there are sufficient staffing levels at all times and that the staff are knowledgeable and well trained.

Section 18 – DISPUTES

- ✓ The Developer must have a system in place for receiving, handling and resolving a Buyers complaint and/or dispute and must inform the Buyer how to proceed with a complaint and/or dispute.
- ✓ The complaints procedure should include a timeframe for both acknowledging, handling and resolving the complaint and/or dispute.
- ✓ The Developer must provide the Buyer with a written document outlining the parameters of the Dispute Resolution Scheme operated within the Code.
- ✓ A Buyer who believes they have suffered either financial loss or psychological harm because a Developer has failed to meet the requirements of the Code may refer the dispute to AHCI for mediation or to the Alternative Dispute Resolution Scheme.
- ✓ The Buyer must first raise the complaint with the Developer but if after 30 days have elapsed the Developer has not responded, the Buyer can escalate the complaint to mediation and if after 56 calendar days the Buyer may refer the

matter to Alternative Dispute Resolution regardless.

Examples of Dispute Resolution include;

a) Financial compensation due to repair of a property,

b) Financial compensation due to incomplete works to a property,

c) Discretionary inconvenience compensation due to financial and/or psychological related issues such as ill health due to stress.

Section 19 - PROFESSIONAL ADVISORS

✓ The Developer must co-operate with appropriately qualified professional advisors and third parties appointed by the Buyer to resolve disputes.

✓ The Developer must also provide the same level of cooperation to anyone who acts on behalf of Buyers as they would offer to the Buyer.

✓ A Buyer, who believes a Developer has failed to meet the Code requirements, may refer their dispute to the appointed ADR provider (**The Property Ombudsman Limited**).

Section 20 - AHCI MEDIATION

✓ Mediation is a free service and action will be undertaken by AHCI immediately of the case being brought to our attention.

✓ The Buyer may bring the dispute to AHCI for mediation within six months of the date of the Developer's final response or final offer to the original complaint or within six months of the date of their original complaint to the Developer, whichever is the later date.

✓ If AHCI mediation is unsuccessful the Buyer still may refer their complaint to the appointed ADR provider (**The Property Ombudsman Limited**).

✓ Depending on the circumstances AHCI may also decide to refer the Developer to the Disciplinary and Sanctions Panel.

Section 21 - DISPUTE RESOLUTION

- ✓ The Developer shall use their best endeavours to negotiate in good faith and settle amicably any dispute with the buyer that may arise out of or in relation to the policy and/ or any accepted claim made in the first two years from the date of Final Certificate.

- ✓ If the Developer fails to remedy any defect and any resultant damage notified to it or the buyer is not satisfied with its response then the Scheme Administrator may, at its sole discretion, offer a Conciliation Service and contact the appointed ADR – (**The Property Ombudsman Limited**).

Section 22 - ALTERNATIVE DISPUTE RESOLUTION SCHEME & SANCTIONS PANEL

- ✓ AHCI's alternative Dispute Resolution Scheme Adjudication is independent of the Developer and AHCI and decisions are not insured under the Advantage Warranty.
- ✓ This will involve the following;
- ✓ A trained independent Conciliator will review written submissions from both parties and make recommendations and the service is free to the Buyer,
- ✓ Once the Conciliator has reached a decision and made recommendations, if either party involved in the dispute does NOT accept the findings then the dispute may be referred to the Adjudicator,
- ✓ The Adjudicator will then review and decide if the Buyer has a legitimate dispute and if so, if they have suffered financial loss as a result and if so, how much they have reasonably suffered,
- ✓ The Developer must comply with;
- ✓ Any award and/or discretion made and accepted by the Buyer,
- ✓ Pay the buyer of any such award if accepted by the Buyer within the period for payment required by the Adjudicator.
- ✓ The Developer must pay the fee of the Buyer if they wish to refer the dispute to the Adjudicator.

TYPES OF DECISIONS

Performance award e.g. work undertaken to the plot as agreed by the Adjudicator.

- ✓ Financial award e.g. the extent of the financial loss that is to be reimbursed by the Developer to the Buyer.
- ✓ Combination award e.g. a combination of works to the plot and reimbursement of financial loss.
- ✓ Complaint rejection (this is self explanatory).
- ✓ Discretionary awards e.g. in addition to the maximum award value, a maximum sum of £1000 may be awarded for inconvenience and reimbursement of the buyer's case registration fee.
- ✓ Refer Developer to the '**Disciplinary and Sanctions Panel**' (see section 23).

Section 23 - DISCIPLINARY AND SANCTIONS PANEL

When required, AHCI Limited. will convene a Disciplinary and Sanctions Panel which may be made up of the following;

- ✓ Two insurance professionals,
- ✓ A nominee from the Chartered Institute of Building (C.I.O.B),
- ✓ A Trading Standards Professional,
- ✓ A Construction Industry Professional.

The Panel may impose any of the following sanctions;

- ✓ Specify an improvement plan for the Developer,
- ✓ Suspend the Developer from the AHCI membership scheme,
- ✓ Terminate the membership of the Developer from the AHCI membership scheme.

Advantage

Structural Defects Insurance

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