

Developer Consumer Code Training Manual

Code Overview

As noted within the AHCI Consumer Code for Developers of Homes for Sale (the Code), there are set obligations within which must be met and which you should be aware of.

Obligations include information and documents which must be provided to your buyer before, during and after the sale. Please ensure that you have read the Guidance Notes to Subscribers document along with the Consumer Code.

AHCI Ltd act in accordance with CTSI and CCAS and may be required to share your data with them.

AHCI are a Consumer Code Approval Scheme (CCAS) code sponsor which means you have a robust customer complaints procedure and clear pre-contractual information. This will help you to attract and retain customers. In addition, being part of an approved code helps drive up customer standards within your business sector and therefore raise overall consumer confidence.

The Code reinforces best practices amongst Property Developers to make sure that the level of information and customer service provided by all Property Developers is consistently high. It builds on successful efforts already made by the industry to improve consumer satisfaction.

The aim is to make the home buying process fairer and more transparent for home buyers and to hold Developers accountable for unfair practice as outlined within the Code.

A condition of a mortgage offer is that the structural defects warranty provider is suitable for the approved lender. One of the conditions of being an approved lender is that a CTSI approved Code is in place.

Code Member Exemptions

As stated within Section 6 of the Consumer Code, there are some exemptions whereby you will not be required to be a Code member. These exemptions are:

- Properties built under an Architect's Certificate
- Built by self-builders,
- Let on short-term tenancy agreements
- Acquired for investment purposes or by Registered Providers,
- Second-hand properties,
- Retrospective policies

If you feel that you meet one of these exemptions, please contact code@ahci.co.uk.

Information for Home Buyers

As a Code member, there are requirements for developers to provide specific information to Home Buyers (which we also refer to as consumers).

Some of these documents will be requested as part of the Remote Audit which is sent to developers after receiving their final warranty certificates.

Examples of these documents include:

- Pre-purchase information provided to your consumer showing that they could make an informed decision.
- Sales materials provided by the Developer or estate agents on behalf of the Developer.
- Terms relating to the Reservation Agreement which advises the cancellation rights of the consumer, plot amount, specifications, end date of agreement along with any other details as specified within the Code Developers' formal complaints process.

Further details of information which should be provided are listed within the "Guidance Notes to Subscribers" document within the Code Information Pack.

Remote Audit

All Code members are audited on a bi-annual basis (24 months). If the developer is exempt, they must either provide the information within stage 1 of the form and submit the exemption criteria they meet or send an email to code@ahci.co.uk – we require written confirmation so that the response can be logged for auditing purposes.



Once the developers' final certificates for a development are sent and after a period of time, log in details to an online account will be created and sent to the developer which will give access to complete a short online questionnaire.

The questionnaire focuses on information which is provided to the developers' home buyers and within the final section, the developer is asked to provide some documents such as the home buyers packs, reservation agreements etc. Some of the documents requested may not be relevant to the developer such as reservation, documents regarding change in variation etc however, we ask that they provide what was relevant to their buyers or, documents which will be sent to their buyers once a sale has taken place.

Within the Consumer Code, section 5 states that the audit will be required and as such, it is a mandatory requirement. There may be instances where we may request another audit to be completed within a 12-month period.

If the developer does not complete the audit, an on-site audit will be requested and a member of the AHCI team will visit the developer's office address.

On Site Audits

There may be instances where a member of the AHCI Ltd team may be required to visit your office address to complete an on-site audit.

Instances where an on-site visit may arise are:

- If the developer fails to provide a completed remote audit.
- If we receive several valid code complaints from different consumers relating to their properties.
- If we receive multiple negative feedback results from the Customer Satisfaction Questionnaire.
- If we are required to carry out an on-site audit, you will receive a notification with an appointment request, and we will provide information relating to the visit. We will arrange the appointment at your convenience, however, should you need to cancel the appointment to re-arrange it we will require a minimum of 48-hour notice. In instances where there are more than 3 cancellations/re-scheduled appointments, we will be required to mark down the request as a failed audit and you will then be reviewed via our Internal Sanctions Panel which will result in the penalties as mentioned in the remote audit section above.

Customer Satisfaction Questionnaire



Once you have received your completed warranty policy certificate and your property has been sold, you will be required to provide the warranty certificate to the new homeowner. For ownership of the policy to be transferred to the new owner, their solicitor must write to us to the following email address: solicitors@ahci.co.uk with the below information:

- Policy reference number
- Copy of current certificate
- Name of the buyer
- Address of the property
- Completion date



When the new warranty certificate is issued to the homeowner, we will also invite them to complete an online Customer Satisfaction Questionnaire to provide feedback on the service that they received from their developer.

The questionnaire feedback will not be provided to you unless we have received the buyer's authorisation to do so. The feedback will be logged onto file for reference when you complete your remote audit.



Multiple instances of negative feedback may result in an on-site inspection being requested, prior to this request however, we may contact you asking that you provide evidence into information provided to your consumer.

Vulnerable Consumers

The FCA describe a vulnerable consumer as someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.

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.

We encourage you to go to the following link to watch the short video within and to read the two additional PDF links to ensure that you and your staff are trained in identifying and assisting vulnerable consumers: <https://www.businesscompanion.info/focus/consumer-vulnerability>

Snagging

Snagging, as defined in the Code, are minor cosmetic issues with the construction work relating to the plot which require 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.

Although the Code makes mention of snagging, the Code does not cover complaints relating to this subject and any complaints made in relation to snagging will see the consumer be signposted to Citizens Advice Bureau, Trading Standards or to seek legal advice.



Complaints & Alternative Dispute Resolution

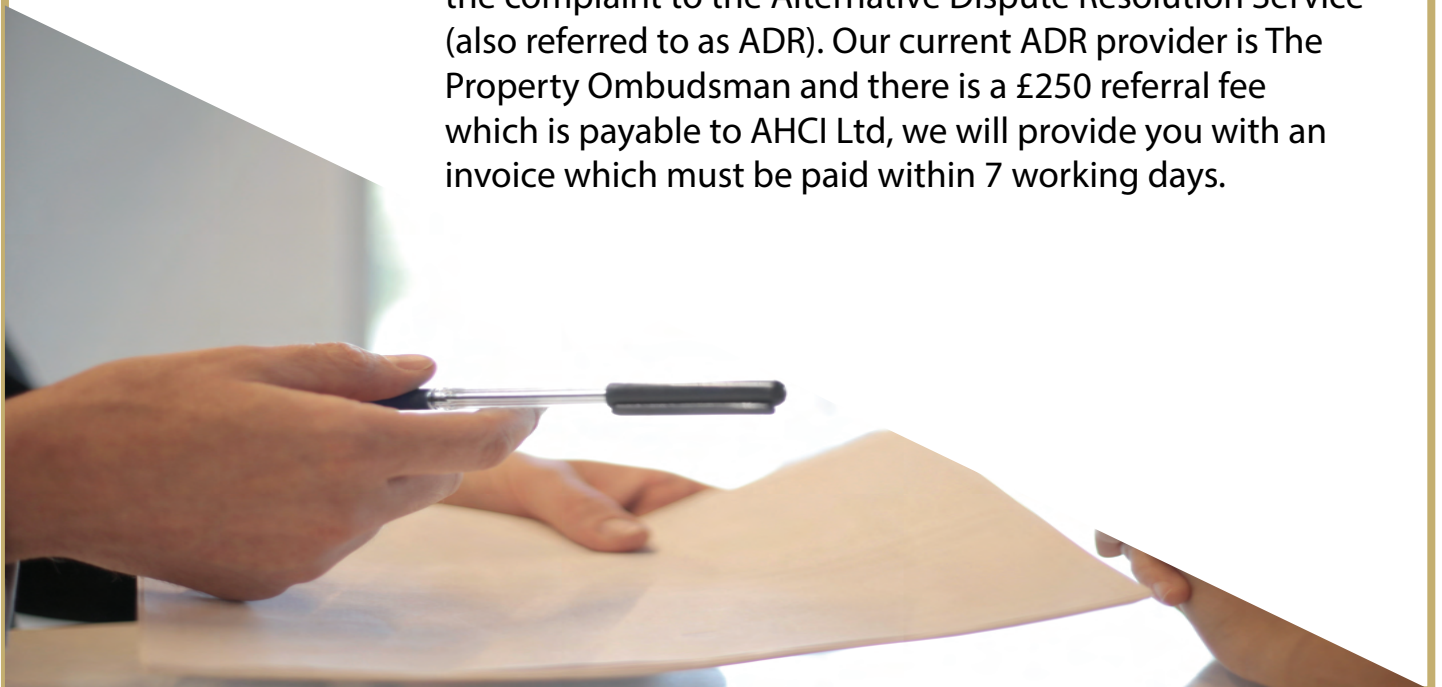
If we receive a complaint from a buyer in connection with the Consumer Code, we will firstly assess the complaint to confirm if it meets the requirements of the Code (see exemptions section).

If you are an exempt Code member or if the complaint does not coincide with the Code e.g. for issues relating to snagging, then we will advise the consumer of alternative options where they may be able to request assistance. The options may be to speak with their local Citizens Advice Bureau, Trading Standards or to seek advice via their solicitor.

If the complaint is assessed as a valid Consumer Code complaint, we will then write to you and provide you with the formal complaint which has been provided to us. We will request that you correspond with the consumer directly in order to address the complaint and to reach a conclusion.

We will request that you provide us with a copy of the conclusion so that we can note this on file and close the complaint if required.

If after a full period of 56 days, a response has not been given to the consumer, we may then be required to refer the complaint to the Alternative Dispute Resolution Service (also referred to as ADR). Our current ADR provider is The Property Ombudsman and there is a £250 referral fee which is payable to AHCI Ltd, we will provide you with an invoice which must be paid within 7 working days.



The ADR provider will then assess the complaint in full and offer mediation in order to reach a resolution. Resolutions may include mutually agreed financial compensation.

The Property Ombudsman will provide us with a summary of the outcome and we may then look to review the developer via our Internal Sanctions Panel to assess adherents to the Code along with offering further support in order to ensure compliancy.

In instances where AHCI terminates any future warranty policies with the developer, the developer company name may be shared with other warranty providers as part of Good Practice.

Penalties

We will attempt to provide advice and guidance to Developers to try and ensure that they meet obligation requirements if we identify that it is not currently the case. If we receive poor remote audit results, we will look to re-request another audit within 12 months rather than 24 and look at progress levels.

We will firstly look to provide guidance to Developers to assist and advise you how to improve. If the Developer fails to complete a remote audit questionnaire and then refuses to allow us the ability to complete an on-site remote audit, we may then look to review them within our Internal Sanctions Panel.

Penalties for Developers who have been found not adhering to the Consumer Code and demonstrating poor practice may result in difficulties obtaining warranty certificates which have not yet been issued and may have difficulty in obtaining any future warranty policies with AHCI Ltd.

We will be required to share the Developers details to CTSI and report when a Developer has had to undergo Internal Sanction Panel reviews along with the outcome. This may be further shared with other warranty companies.

This however, would be the last port of call or in instances where a severe breach has been made. We will always try to work alongside you and make the process as easy as possible to ensure that you can adhere to the Code and make your customers aware of the high level of standards which you adopt.

Contact Us

If you have questions relating to the Code, please contact us by emailing: code@ahci.co.uk.

All information can also be found on our website by going to the following page:
<https://ahci.co.uk/consumer-code/>



AHCI LTD is an Appointed Representative of
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Conduct Authority.