

# Summary of changes to the Code

**with effect from 1<sup>st</sup> April 2013**

During 2012, the rules of the Consumer Code went through a process of review to ensure the Code continues to evolve with the industry and changing consumer needs. The result is a third edition of the Builder Guidance which will come into force for reservations signed on or after 1<sup>st</sup> April 2013. The Code requirements have not been changed but the guidance which affects their interpretation has. As part of the Rules of Registration, all Builders registered with the supporting warranty bodies are required to adhere to the rules of the Consumer Code for Home Builders.

Since its launch in April 2010, the Code has gone from strength to strength and customer research shows that the principles of the Code have been firmly adopted and embedded into the processes of many home builders, raising the standard of service and support provided to home buyers and potential home buyers.

## SUMMARY OF CHANGES

<b>Definitions</b>	Acknowledge the slightly differing legal terms in Northern Ireland
<b>Introduction</b>	Minor text changes
<b>Further Information</b>	Text updated
<b>Scope</b>	Text updated, including the combining of clauses 1 and 2. The exclusion clauses 4 and 5 have also been combined, with the list of exclusions updated and a new one added that makes reference to properties that are sub-sold or assigned prior to the first legal completion. As the builder has no contractual relationship with these purchasers, it is unreasonable to expect the builder to be bound by the Consumer Code requirements.

To support the implementation of the Code, a support Tool Kit, training module and sample documentation can be downloaded from the relevant warranty bodies' websites.



## CODE REQUIREMENTS

These changes are to the Guidance only; the Code Requirements themselves remain unchanged apart from a minor grammatical error correction to clause 2.6.

CLAUSE	COMMENT
1.1	Text amended to further clarify the purpose and use of the Guidance sections to the Code document
1.2	Re-ordering of the paragraphs to add clarification on where to source information and how to provide it.
1.4	Minor text change to refer to the defined word "Agent".
2.1	Second and third bullet points refined to increase clarity – the point being that information may also be relayed using plans, drawings and other sources.
2.5	Second paragraph is now omitted; it referred to the duties and responsibilities of the purchaser's solicitor, which are not within the control of the builder.
2.6	Minor text change to add clarification to the 6th bullet point. Further text changes to clarify: <ul style="list-style-type: none"> <li>• when a Reservation Agreement comes to an end;</li> <li>• that any agreed extension to the deadline must be confirmed in writing;</li> <li>• that the builder does not have the right to cancel a Reservation Agreement;</li> <li>• that the builder may deduct reasonable costs that have <u>actually</u> been incurred (having a simple formula or standard percentage is not within the spirit of the consumer code);</li> <li>• to allow for both parties agreeing to cancel the Reservation Agreement where a new mortgage scheme and offer would require it to be re-written.</li> </ul>
3.1	Greater clarity added to the wording to demonstrate that a purchaser, once they have signed a contract of sale, may cancel that contract where there have been significant and substantial changes to the size, appearance or value of the property which they consider are unacceptable, on the presumption that they are acting reasonably.  An extra clause added to clarify that minor changes to construction materials that have no effect at all on size, appearance or value do not have to be notified to the purchaser.
3.2	Heading changes to clarify that this relates to the provision of information. A paragraph misplaced under sub-heading a) has been moved to under sub-heading b).  The point is now made that if the purchaser requests extra works outside the contract of sale, but the undertaking of those works will affect the date of legal completion, then the long stop date will also change accordingly.
3.3	First bullet point amended to make the circumstances clearer on when the purchaser has the right to cancel a contract of sale once signed. The defined end date calculated by process given in that clause has been given the term 'long stop date' and it is defined here. Further clarity is given by way of a new paragraph to reinforce the point that the purchaser may have the right to cancel the contract where the long stop date has been missed, and to refer a complaint to the independent dispute resolution service should they be out of pocket because of the experience.
Appendix A	General text changes to improve clarity of reading. No changes to the scheme rules themselves have been made. Clauses 4.6 and 4.7 have been combined into one.
<b>General</b>	Minor text and grammar changes throughout the document that do not change the context of the guidance.