



# CODE FOR THE SALE OF NEW HOMES

BLP  
IS MANAGED  
BY **THOMAS  
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Refer to the BLP Handbook for New Homeowners and Dispute Resolution Scheme Flow Chart available at [www.blpinsurance.com/homeowners](http://www.blpinsurance.com/homeowners)

### **Building Regulations:**

These regulations provide minimum standards for the design and construction of the **Home** which ensure that the quality standards, including health and safety requirements together with other policies set out in legislation are carried out. Building Regulations approval is required for most building work undertaken in the UK.

### **Buyer:**

A person who reserves or buys a newly built or off plan **Home**, excluding anyone who is a **Consumer Client**; or reserving or buying homes which are second-hand properties; or acquired by registered social landlords for rent; or acquired by corporate bodies, partnerships and individuals buying several properties for investment purposes; or built by self-builders for their own occupation; or assigned or sub-sold by an investor to a third party before **Completion**.

### **Code:**

BLP's Code for the Sale of New Homes issued by BLP and updated from time to time.

### **Completion:**

The point at which the **Home** is transferred from the ownership of the **Home Builder** to the ownership of the **Buyer**. This stage is known as "Conclusion of Missive" and "Date of Entry" in Scotland.

### **Consumer Client:**

An individual customer or sole trader.

### **Contract / Contract of Sale:**

The legally binding document used for the sale of a **Home**.

### **Contract Deposit:**

A non-refundable deposit which is paid by the **Buyer** to the **Home Builder** to demonstrate the **Buyer's** good intentions and to reserve the **Home**. It is usually 10% of the purchase price.

### **Contract Exchange:**

The point in the conveyancing process at which the **Buyer** exchanges the **Contract of Sale** for the **Home** with the **Home Builder** (when the contract becomes legally binding on both parties).

### **Dispute:**

A disagreement in respect of a complaint initiated in writing by the **Buyer** to the **Home Builder** in respect of matters covered by the **Code**. The complaint must be made within 2 years of the start date of the BLP insurance policy for the **Home** in respect of which the dispute has arisen.

### **Dispute:** (Continued)

Complaints covered by the **Code** are subject to a maximum aggregate award of £50,000 inclusive of VAT and maximum awards for financial loss of 25% of the purchase price of the **Home** and maximum awards for emotional distress and / or claims for inconvenience of £1,000.

### **Dispute Resolution Scheme:**

The procedures for dealing with disputes (being matters of dissatisfaction between the **Buyer** and the **Home Builder** which cannot be resolved informally) and which are set out at Clause 21.

### **FCA:**

The Financial Conduct Authority which regulates the financial services industry in the UK, including BLP.

### **Home:**

A new build property registered by a **Home Builder** with BLP to obtain BLP insurance excluding those homes which are not new build homes and the matters referred to in Clause 1 below.

### **Home Builder:**

A commercial builder or commercial developer (being persons whose principal business activity is building new or newly converted homes for sale to the public) who is contractually bound by BLP to subscribe to and comply with the Code.

### **Leasehold:**

Where, subject to a contractual agreement called a lease, the **Buyer** has the ownership and the right to use the **Home** for a set period of time, Leasehold will usually apply to the sale of flats rather than houses.

### **Management Services:**

The maintenance, supply and service obligations and charges, to which (if applicable to the relevant Home) the **Buyer** will be legally obliged to meet, after the **Home** is purchased.

### **Material Fabric:**

Any structure, surface or fixture which is not free-standing and which is connected or associated internally or externally with a **Home**. (A fixture is any item in a home that is bolted to the floor or walls such as kitchen units. A fitting is any item in a home that is free standing such as carpet, furniture or hung by a nail, hook etc. (mirror, painting) and hence fittings are not part of the **Material Fabric** of the **Home**).

### **Part Exchange Schemes:**

Where the **Buyer's** existing home is traded as part payment for a new build property bought from the **Buyer**.

**Reservation Agreement:**

The written legal agreement between a **Buyer** and a **Home Builder** in which there is a statement of intent (subject to contract and whether or not a fee is paid) to buy and sell a **Home**. Reservation, Reserved and Reserve carry the corresponding meanings.

**Reservation Fee:**

A fee that reserves the **Home** following the signing of a **Reservation Agreement**. The fee will usually be a few hundred pounds although this may vary in terms of regions across the country and on the purchase price of the **Home**. On payment of the fee the **Home** will be withdrawn from the market and the **Reservation Agreement** will provide that no further price increases will be charged. The fee will be discounted from the final purchase price of the **Home**, or in the event that the **Buyer** cancels the agreement may be refunded subject to an administration charge.

**Snagging:**

Minor issues of a cosmetic nature with the building work relating to the **Home** which remain outstanding at **Completion**.

**Specification:**

The general description of the main materials used to build the **Home** including wall, roof and floor construction, bricks and roof tiles, windows, internal and external doors, bathroom and kitchen tiles, equipment, furnishings, taps, central and other heating systems, paint and carpets.

**Structural Defect:**

A fault in the design or construction of the load bearing portions or weatherproofing of the property. Examples of load bearing portions include the foundations, external and internal walls, floors and roof structures. Examples of weatherproofing include the outside wall face, windows, doors and the roof covering.

**Vulnerable Buyer:**

A **Buyer** who is vulnerable (i.e. whose ability to make a sound decision is impacted) for any one or more of the following reasons: vulnerable due to their age, infirm, someone with a language barrier, someone with a disability or a learning difficulty, or someone who becomes vulnerable at a time of high stress (such as purchasing a **Home**) or illness.

**Water Ingress:**

The ingress (entrance) of water into the **Home's** external walls, external doors, external windows and cladding, roofing and any other works which protect against **Water Ingress** whether or not it is causing physical loss, physical destruction or physical damage or requires remedial action to prevent it from causing such imminent loss, destruction or damage.

## INTRODUCTION

The BLP Code for the Sale of New Homes (“**Code**”) applies to all new build homes where a BLP insurance policy has been quoted after 1st June 2015.

The **Code** has been established to ensure that best practice is followed in respect of the marketing, selling and purchase of Homes and the after sales customer care service which would include the rectification of **Snagging**. The application of the **Code** requirements will ensure transparency during this process.

The **Code** establishes mandatory requirements that apply to all **House Builders** who purchase and provide a BLP insurance policy for a new build home intended for sale.

BLP is responsible for managing the **Code**.

All **Home Builders** who have taken out an insurance policy with BLP must agree to subscribe to and comply with the **Code**. Under the terms and conditions of the BLP Client Services Agreement signed by BLP and the **Home Builder**, BLP requires that any **Home Builder** who has taken out an insurance policy with BLP will honour any award made against them under the **Code Dispute Resolution Scheme**.

The BLP Client Services Agreement also provides for a range of sanctions for non-compliance in the event that a **Home Builder** is found to be in contravention of the **Code** as a result of the **Dispute Resolution Scheme**. Sanctions include BLP’s right to refuse to quote for new business from a **Home Builder** who does not comply with the **Code**. This is a serious sanction as it may result in the home not being eligible for a mortgage. BLP will also advise other home warranty providers of the breach by the **Home Builder** to enable them to consider removing that **Home Builder** from their register which also amounts to a refusal to quote for new business.

For those **Disputes** not covered by the BLP insurance policy, Clause 21 provides a **Dispute Resolution Scheme** for complaints that arise and are made in writing to the **Home Builder** within two years of the date of the start of the BLP insurance.

The **Dispute Resolution Scheme** will also apply to complaints made by second and subsequent **Buyers** in respect of after sales matters provided those complaints are reported within two years of the date of the start of the BLP insurance.

## MATTERS COVERED BY THE CODE

The objective of the **Code** is to ensure that **Buyers** are:

- Fairly treated by the **Home Builder**;
- Reassured that the **Home Builder** is a legal entity and acting professionally;
- Know what quality of construction to expect for the **Home**;
- Know what service levels to expect from the **Home Builder**;
- Is informed on how to manage the **Home** and address any problems that may arise;
- Receive clear and honest information from the **Home Builder** at the right time upon which to base their decisions;
- Provided with a clear procedure for dealing with service calls and any matters of dissatisfaction or complaint;
- Is aware that the **Home Builder** complies with guidance on **Vulnerable Buyers**; and
- If the **Home Builder** fails to rectify **Snagging** and the **Buyer** makes a complaint this complaint would be addressed under the terms of the **Code**. BLP insurance policies do not cover **Snagging**. These are minor issues of a cosmetic nature with the building work relating to the **Home** which remain outstanding at the point at which ownership of the property passes to the **Buyer**.

To ensure the **Code** remains relevant and effective, BLP will undertake customer surveys from time to time with **Home Builders** and consumers to assess the levels of customer satisfaction and may also conduct random audits, mystery shopping surveys, reviews and assessments of customer satisfaction feedback and complaints. BLP may also provide training for **Home Builders**. In all cases, the relevant sections of the Data Protection Act will be complied with.

Nothing contained within this **Code** affects the **Buyers** existing legal rights and does not replace any existing legislation regarding the sale and marketing of new homes to consumers.

The **Code** includes a Glossary of defined terms which appear in bold in this document. The Glossary can be found on page 1.

## MATTERS COVERED BY BLP INSURANCE POLICIES

Building LifePlans Ltd (“**BLP**”) is authorised and regulated by the Financial Conduct Authority (FCA). Please see: [www.blpinsurance.com](http://www.blpinsurance.com).

BLP provides housing insurance policies that provide cover as detailed below.

| Features and benefits  | BLPSECURE | BLPSECUREPLUS |
|--|-----------|---------------|
| 10 or 12 year policy period.   | ✓         | ✓             |
| Cover for <b>Structural Defects</b> that damage or destroy the structural parts of a Home (e.g. walls, foundations, windows and roof).   | ✓         | ✓             |
| Cover for the premature failure of non-structural component parts in the <b>Home</b> within their predicated lifetime (e.g. kitchen units, boilers, electrical wiring, pipe work for gas, water, heating, ventilation but not white goods such as fridges and freezers). |           | ✓             |
| Higher level of premium payable for additional level of component failure cover.   |           | ✓             |
| The policy commences when ownership of the <b>Home</b> transfers from the <b>Home Builder</b> to the <b>Buyer</b> on Completion.   | ✓         | ✓             |
| The insurance policy is underwritten by Allianz Global Corporate & Specialty, an AA rated global insurer.  | ✓         | ✓             |
| The policy is underpinned by an independent technical appraisal aimed at minimising defects in the <b>Home</b> from the outset of the design stage.  | ✓         | ✓             |
| The policy will cover any claim for <b>Structural Defects</b> that arises after the date of transfer of the ownership of the Home from the <b>Home Builder</b> to the <b>Buyer</b> .   | ✓         | ✓             |
| Any claim arising under the policy will be assessed by independent loss adjusters, appointed for and on behalf of Allianz Global Corporate & Specialty.  | ✓         | ✓             |
| The works required to rectify the <b>Structural Defect</b> will be undertaken and completed by an independent contractor and the costs will be covered by the policy.  | ✓         | ✓             |



## MATTERS COVERED BY BLP INSURANCE POLICIES

A higher level of premium (known as an additional premium) needs to be paid for BLPSECUREPLUS because of the additional cover provided by this policy for the component parts of the **Home**.

Should the **Buyer** wish to have the benefit of component failure cover, BLP will be willing in principle to provide it, subject to the **Buyer** requesting the additional cover from the **Home Builder** prior to the build being weather tight (the building stage known as 'first fix') and subject to the payment of the additional premium due for the BLPSECUREPLUS policy. The **Home Builder** will request a quote from BLP. It will then be a matter for the **Home Builder** and **Buyer** to agree between themselves who will pay for the higher amount of premium for the BLPSECUREPLUS policy.

## MATTERS NOT COVERED BY BLP INSURANCE POLICIES

### Snagging

The BLP insurance policies do not cover **Snagging** (see page 5). If the **Home Builder** fails to rectify Snagging and the **Buyer** makes a complaint this complaint would be addressed under the terms of the **Code**.

### Water Ingress

Exclusion applies for year one of the insurance policy. The insurance policies do not pay for **Water Ingress** or any resultant damage that may arise in the first year.

**Water Ingress** is defined as the ingress (entrance) of water into the **Home's** external walls, external doors, external windows and cladding, roofing and any other works which protect against **Water Ingress**, whether or not it is causing physical loss, physical destruction or physical damage or requires remedial action to prevent it from causing such imminent loss, destruction or damage.

During the first year the **Home Builder** is contractually bound to BLP to remedy the cause that results in the **Water Ingress**. If the **Home Builder** refuses to do this, BLP will commence the Negotiated Dispute Procedure (as described in the insurance policies) with the **Home Builder** on behalf of the **Buyer** to address the cause of the **Water Ingress**. Should the **Home Builder** be or become insolvent or refuse to remedy the cause then Allianz Global Corporate & Specialty will appoint the loss adjusters to assess the cause and the extent of the damage and will pay for the work required to address the cause of the **Water Ingress**. Allianz Global Corporate & Specialty have the right to recover these costs from the **Home Builder** under the terms and conditions of the Client Services Agreement.

Any dispute concerning **Water Ingress** must be referred within one year from the commencement date of the BLP insurance.

## SCOPE OF THE CODE

The **Code** applies to all new build **Homes** where a BLP insurance policy has been issued after 1st June 2015.

All **Home Builders** who have taken out BLP insurance on a new build **Home** agree to subscribe and comply with the **Code**.

The provisions of the **Code** will apply for a period of two years after the start date of the BLP insurance policy.

- 1.1 The **Code** and the associated **Dispute Resolution Scheme** does not apply to:
- Those properties taken by **Home Builders** in part exchange and re-sold;
  - Those properties where a BLP insurance has been purchased by a **Consumer Client**;
  - Properties acquired by social landlords for rent;
  - Properties acquired by corporate bodies, partnerships and individuals buying several properties for investment purposes;
  - Properties built by self-builders for their own occupation;
  - Homes assigned or sub-sold by an investor to a third party prior to ownership of the **Home** transferring from the **Home Builder** to the **Buyer** on receipt of the purchase monies paid by the **Buyer** to the **Home Builder**; and
  - Properties built under architects' certificates.
- 1.2 The **Code** does not cover disputes that concern:
- Claims that are covered by the BLP insurance policy (see Table on page 6);
  - Personal injury claims;
  - Loss of property value or blight;
  - Claims about land conveyed or its registered title; and
  - Claims that exceed the **Dispute Resolution Scheme's** limits of 25% of the purchase price of the **Home** subject to a maximum award of £50,000 inclusive of VAT in the aggregate for all claims arising in respect of the Home (including, for the avoidance of doubt awards for emotional distress and / or claims for inconvenience).

## SCOPE OF THE CODE

- 1.3 If the **Buyer** is unhappy or has a complaint in respect of matters covered by the **Code**, they should approach the **Home Builder** and request the details of the **Home Builders** complaints procedure before initiating the **Code's** complaints procedure.
- 1.4 In the event that the **Home Builder** fails to respond to the **Buyer's** complaint within 30 calendar days then the **Code** complaints procedure should be implemented.
- 1.5 If any matters of dissatisfaction arise which do not fall within the scope of the **Code** but are addressable through other dispute resolution processes (such as BLP's Negotiated Dispute Resolution process for Water Ingress claims within the first year of the BLP insurance or the Financial Ombudsman Scheme), then the **Buyer** may wish to refer those matters should be referred to the relevant organisation.
- 1.6 The BLPSECURE and BLPSECUREPLUS insurance policies insure the **Home** for the policy period of 10 or 12 years. The insurance policy continues to apply to the **Home** whether the **Home** changes hands during this time or not. At the end of the policy period, the policy expires. Second or subsequent Buyers of the **Home** will benefit from the **Code** but only in respect of after-sales matters that are reported within two years from the commencement of the BLP insurance provided in respect of the relevant **Home**.

## MAKING THE CODE AVAILABLE

- 2.1 The **Home Builder** must make the **Code** available to all existing and prospective **Buyers**, without any charge.
- 2.2 The **Home Builder** must make the **Code** available in written format to enable the **Buyer** to take the **Code** away for review or to access the **Code** remotely from either the Builder's Sales Office or another remote location (e.g. on the internet at [www.blpinsurance.com](http://www.blpinsurance.com)). Should further guidance be required the **Home Builder** should advise the **Buyer** where this is available.
- 2.3 The **Home Builder** must display the **Code** in the public show house, sales office or other public areas that are related to the sales process. The **Code** must be included in the **Buyer's Reservation Agreement**.
- 2.4 The **Home Builder** must make the **Code** available in a variety of formats (e.g. large print and languages other than English depending on the local demographics) and media and fulfil reasonable requests for an unavailable format (e.g. audio) within ten working days of a **Buyer's** request.
- 2.5 **Home Builders** shall comply with guidance on **Vulnerable Buyers**. The **Home Builder** should acknowledge and cater for the needs of **Vulnerable Buyers** and help them to make informed decisions. In particular:
  - **Home Builders** shall ensure that **Vulnerable Buyers** understand the **Code**, the purchase and their responsibilities (e.g. where there is a language barrier, the **Home Builder** should recommend that a translator is appointed as the **Buyer's** representative);
  - It is the **Home Builder's** responsibility to ensure that staff engaged in the sales process understand their obligations in relation to **Vulnerable Buyers** and that the necessary arrangements are made to provide appropriate advice and assistance suitable to their needs;
  - **Home Builders** should not make assumptions about the degree of knowledge that a **Buyer** has;

## MAKING THE CODE AVAILABLE

- If the **Buyer** declares vulnerability at the commencement of negotiations or it is obvious that the **Buyer** has vulnerability (e.g. blindness) the **Home Builder** must consider the possible effect of that vulnerability on the proposed transaction;
- If no vulnerability is declared by the **Buyer**, but it becomes apparent that there may be vulnerability, the **Home Builder** should seek clarification from that person and / or their representative. Enquiries must be of a nature that are considerate, unlikely to offend and can in no way be interpreted as discriminatory;
- If the **Home Builder** is advised of or perceives there to be vulnerability then further information should be sought from the appropriate organisation specialising in that vulnerability; and
- The **Home Builder** should take the **Vulnerable Buyer's** specific needs into account in any information or guidance they are given.

The **Home Builder** may refer to the following sources of information about vulnerability:

- **www.gov.uk** for a comprehensive contacts list of organisations that offer advice and information on specific mental health issues; and
- **www.ableize.com** which is run by disabled people and provides links to local and national support and advice groups.

- 2.6 The **Home Builder** must give the **Buyer** a document providing the **Code** procedures including how to access the **Dispute Resolution Scheme**. This document must confirm the scope of the **Code**, any exclusion and any deadlines. It must highlight the fact that all complaints must be made within two years of the start date of the BLP insurance.
- 2.7 The **Home Builder** must provide **Buyers** (including **Vulnerable Buyers**) with a Freephone number or a national or local rate telephone number should they wish to speak to them about the **Home**. Email address contacts and correspondence address should also be provided.

## CUSTOMER SERVICE

- 3.1 The **Home Builder** should ensure that systems and procedures are in place to enable them to accurately and reliably meet the commitments in service, procedures and information in the **Code**. This should include training on how to identify **Vulnerable Buyers** and ensure appropriate procedures are in place. (See Clause 2.5 on page 10).
- 3.2 The **Buyer** can also find independent advice and information on the sales process from the following organisations:

**HomeOwners Alliance**

[www.hoa.org.uk/services](http://www.hoa.org.uk/services)

Tel: 033 0088 2050

**Citizens Advice Bureau (England and Wales)**

[www.adviceguide.org.uk](http://www.adviceguide.org.uk)

Tel: 0345 4040506

**Citizens Advice Service (Northern Ireland)**

[www.citizensadvice.co.uk](http://www.citizensadvice.co.uk)

Tel: 028 9023 6522

**Citizens Advice (Scotland)**

[www.cas.org.uk](http://www.cas.org.uk)

Tel: 0808 800 9060

4.

## TRAINED CUSTOMER SERVICE STAFF

- 4.1 The **Home Builder** must provide appropriate training to all staff who deal directly with **Buyers** in respect of their responsibilities to **Buyers** and what the **Code** means for the directors and the company. BLP will explain to the Directors of the **Home Builders** what this means in practice. BLP may support the delivery of those training needs on the request of the **Home Builder**.
- 4.2 For the avoidance of doubt Agency staff (i.e. those who are not full or part time employees of the **Home Builder**) must be subject to the same process and procedures as permanent staff.
- 4.3 **Home Builders** are advised to monitor, review and, if necessary, refresh staff training on an annual basis. Evidence of compliance with this requirement will be requested by BLP and should be made available on request.

5.

## SALES AND ADVERTISING

- 5.1 All sales and advertising must use plain English. The Plain Language Commission provides guidelines at [www.clearest.co.uk](http://www.clearest.co.uk).
- 5.2 Content must be clear, fair and truthful and comply with the FCA requirements of Treating Customers Fairly: See [www.fca.org.uk/firms/being-regulated/meeting-your-obligations/fair-treatment-of-customers](http://www.fca.org.uk/firms/being-regulated/meeting-your-obligations/fair-treatment-of-customers).
- 5.3 Sales and advertising should also comply with the relevant code of advertising and the law e.g.:
  - UK Code of No Broadcast Advertising, Sales Promotion and Direct Marketing;
  - The Television Advertising Standards Code;
  - The Radio Advertising Standards Code; and
  - Any other relevant code.
- 5.4 **Home Builders** must state in all advertising and sales material that they subscribe to and comply with the **Code**.

## SALES AND ADVERTISING

- 5.5 **Home Builders** must act legally at all times. **Home Builders** who are unsure whether advertising or sales material is legal must check the material complies with The Consumer Protection from Unfair Trading Regulations 2008 and The Business Protection from Misleading Marketing Regulations 2008 before making it available to the **Buyer**.
- 5.6 **Home Builders** shall not use high pressure selling techniques to influence the **Buyer's** decision and must ensure all staff, including part time staff, are aware of their responsibility and requirements in this respect under the **Code**.
- 5.7 **Home Builders** shall not use high pressure selling e.g.:
- Encourage a reservation by implying there are other interested parties or there is an imminent price increase due where there is neither;
  - Offering a financial incentive for an immediate decision on a reservation or a sale; or
  - Encouraging a reservation by refusing the opportunity to personalise the **Home** where the stage of construction would still allow it.

## PRE CONTRACT INFORMATION

- 6.1 The **Home Builder** must provide **Buyers** with sufficient pre-purchase information to enable them to make an appropriately informed purchase decision. In every case this information must include:
- A written Reservation Agreement;
  - An explanation of the BLP insurance cover including contact details for BLP and where to locate a copy of the policy ([www.blpinsurance.com](http://www.blpinsurance.com) Tel 020 7204 2424);
  - Description of an annual estimate of the **Buyers** cost to support any Management Services and organisations to which the **Buyer** will be committed;
  - Where the **Home** may be subject to leasehold arrangements, the details of those leasehold arrangements; and
  - A list of **Home** contents (e.g. white goods, wardrobes, floor coverings, curtains etc.) included in the price.



## PRE CONTRACT INFORMATION

- 6.2 If the **Home** is not yet completed accurate information must be provided in respect of;
- A brochure or plan showing the size, specification (including a statement as to the cosmetic finish the **Buyer** can expect to be achieved), layout, plot position, appearance, price, the utilities provided and where they are sited; energy performance ratings, and mobility adaptations of the **Home**;
  - The future build phases of and the facilities on the anticipated completed development;
  - A list of the **Home's** contents including general specifications of white goods, wardrobes, floor coverings etc. included in the price;
  - The standards to which the **Home** is being built, including confirmation that the build is in compliance with the Building Regulations; and
  - The **Home Builders** estimate as to when the **Home** will be ready for occupation.

## CONTACT INFORMATION

**Buyers** should be informed by the **Home Builder** how their questions will be addressed and who to contact during the sale, purchase and transfer of ownership of the **Home**. Queries from the **Buyer** should be responded to within 7 calendar days.

## INSURANCE COVER

**Buyers** must be given accurate and reliable information by the **Home Builder** about the BLP insurance provided on the **Home**. This will include a list of insurance documents that the **Buyer** will be presented with when ownership of the **Home** transfers from the **Home Builder** to the **Buyer** at **Completion**. This information should include contact details for BLP ([www.blpinsurance.com](http://www.blpinsurance.com) or email [info@blpinsurance.com](mailto:info@blpinsurance.com)).

## HEALTH AND SAFETY FOR VISITORS TO DEVELOPMENTS UNDER CONSTRUCTION

- 9.1 **Buyers** must be informed about the appropriate health and safety precautions they should take when visiting a development under construction. Where applicable, appropriate safety equipment (e.g. hard hat, hi-visibility vest and protective footwear) must be provided to wear on site. The **Home Builder** must make it clear that all visitors are personally responsible for following the health and safety procedures and signage on site.
- 9.2 **Buyers** and prospective Buyers should sign a document confirming they have received and read or listened to health and safety advice for the site.
- 9.3 **Home Builders** should ensure that **Buyers** are provided with:
- Clear signage;
  - Clear mobility with access into and around the site; and
  - Accompanied by an appropriate adult where needed.
- 9.4 The **Home Builder** must give the **Buyer** health and safety guidance in compliance with the relevant Construction (Design and Management) Regulations 2015.

## HEALTH AND SAFETY FOR BUYERS LIVING ON DEVELOPMENTS UNDER CONSTRUCTION

- 9.5 **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 **Home Builder** implements in order to protect them.
- 9.6 The **Home Builder** must give the **Buyer** a health and safety file for the **Home** in compliance with the relevant Construction (Design and Management) Regulations 2015. This information should form part of the after sales service pack.

## PART EXCHANGE SCHEMES

- 10.1 When a **Home Builder** offers a **Part Exchange Scheme** to **Buyers** the terms must be transparent and must not be used to pressurise a sale. The terms of the **Part Exchange Scheme** must be explained in plain English and include full details of:
- The full terms and conditions that apply including any applicable Leasehold requirements;
  - How a fair market valuation will be arrived at, which must be independent and obtained from more than one source (for further information on this please contact the Royal Institute of Chartered Surveyors; [www.isurv.com](http://www.isurv.com) or The Property Ombudsman Scheme);
  - Any deductions that will be made from the valuation; and
  - How a **Buyer** can qualify for the scheme.
- 10.2 When a **Part Exchange** offer is made by the **Buyer** the **Home Builder** must clearly state:
- The full terms and conditions that apply including any applicable Leasehold requirements;
  - All of the fair market valuations that have been obtained and confirm who provided them;
  - Which valuation is acceptable to the **Home Builder** and the reason(s) why;
  - 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 new **Home** will be completed.
- 10.3 The **Home Builder** will provide all **Buyers** and particularly **Vulnerable Buyers** with adequate time to consider and absorb information provided about the new **Home**, Leasehold and any **Part Exchange Scheme** offer.

11.

## APPOINTMENT OF PROFESSIONAL ADVISORS

- 11.1 **Home Builders** must advise **Buyers** to appoint an independent professional legal adviser (a solicitor or conveyancer) to carry out the legal formalities of buying the **Home** and to represent their interests before **Contract Exchange**. Should the **Buyer** require independent advice on appointing a professional legal adviser please see The HomeOwners Alliance website: [www.hoa.org.uk/advice/guides-for-homeowners/i-am-buying/finding-the-right-solicitor-or-conveyancer/](http://www.hoa.org.uk/advice/guides-for-homeowners/i-am-buying/finding-the-right-solicitor-or-conveyancer/)
- 11.2 Where the **Buyer** asks the **Home Builder** to recommend an advisor the **Home Builder** should recommend more than one, where possible. If the **Home Builder** received a commission for the recommendation this should be made clear to the **Buyer** together with the amount of the commission.
- 11.3 The **Home Builder** must provide the **Buyer** the names and contact numbers of those people who will deal with any questions or problems the **Buyer** may have prior to the transfer of ownership of the **Home** and who will deal with any complaint raised by the **Buyer** under the **Code**.

12.

## RESERVATION OF PROPERTIES AND THE RESERVATION AGREEMENT

- 12.1 **Buyers** must be provided with a **Reservation Agreement** in plain English that clearly sets out the following terms including but not limited to:
- The amount of the **Reservation Fee**;
  - The terms under which the **Reservation Fee** is refundable or non-refundable and any administration fees or similar which the **Home Builder** may deduct. Terms and conditions for refunds and deductions should be reasonable. This should include the circumstances where that deduction may apply and the likely cost / penalties;
  - Confirmation that the **Reservation Agreement** is not a **Contract of Sale** for the purchase of a **Home** and that the **Buyer** understands the difference between the two;
  - What is being sold including the type of **Home**, plot number, map, development name, and parking arrangements, where appropriate;
  - The purchase price;
  - How and when the **Reservation Agreement** will end;

## RESERVATION OF PROPERTIES AND THE RESERVATION AGREEMENT

- How long the price remains valid;
  - Date by which **Contract Exchange** must take place;
  - Copies of the pre purchase information;
  - **Part Exchange** details if applicable;
  - Details of how the **Buyer** can include in the **Contract** any spoken statement that is to be relied upon;
  - The nature and annual estimated cost of any **Management Services** the **Buyer** must pay for.
  - What happens if the **Home Builder** becomes insolvent; and
  - Scope and process to request changes (i.e. paint colour, design changes, specification changes).
- 12.2 The **Home Builder** must give the **Buyer** a copy of the **Reservation Agreement** signed by both parties.
- 12.3 While the **Reservation Agreement** is in force, the **Home Builder** must not enter into a new **Reservation Agreement** or sale agreement with another customer on the same home.
- 12.4 Unless the **Buyer** has paid the **Reservation Fee** by credit card, the **Home Builder** must hold the **Reservation Fee** in a deposit account in trust which cannot be accessed by the **Home Builder** until **Completion**.
- 12.5 The **Buyer** may cancel the **Reservation Agreement** during the agreed reservation period in which case the **Reservation Fee** must be refunded by the **Home Builder** within 14 calendar days of the date of notice of cancellation given by the **Buyer**. The **Reservation Fee** must be refunded in full if the **Buyer** wishes to cancel the reservation for any reason within seven calendar days of signing the **Reservation Agreement**. The **Buyer** must be told in advance by the **Home Builder** of any reasonable deductions that may be made from the **Reservation Fee** if the **Buyer** cancels at a later stage.
- 12.6 The reservation period may be extended by mutual agreement between the **Buyer** and the **Home Builder**. If the deadline date is not extended and the **Contract of Sale** has not been exchanged, the **Reservation Agreement** automatically expires. The **Reservation Fee** must be refunded within 14 calendar days if the **Reservation Agreement** expires less any reasonable deduction the **Buyer** was told about at the time the **Reservation Agreement** was entered into by both parties.

## INFORMATION: EXCHANGE OF CONTRACT

### The Contract

- 13.1 The **Home Builder's** solicitor will send the **Contract** and all relevant documents and approvals to the **Buyer's** independent advisor as soon as reasonably possible after the date of the **Reservation Agreement**.
- 13.2 **Contract of Sale** terms and conditions must:
- Be clear, fair and written in plain English;
  - Comply with the Unfair Terms in Consumer Contracts Regulations 1999;
  - Clearly set out the process and timing for advising the **Buyer** of the date at which ownership of the **Home** will transfer from the **Home Builder** to the **Buyer** on **Completion**;
  - Clearly state the circumstances in which the **Buyer** can terminate the **Contract**, e.g. if the **Home** is significantly different in size, quality, location or tenure from that which the **Buyer** agreed to buy; and
  - Clearly state what will happen should the **Home** be delayed during the course of construction and not be ready for ownership by the **Buyer** by the date advised by the **Home Builder**.

### Timing of construction, **Completion** and hand over

- 13.3 The **Buyer** must be given reliable and realistic information about when construction of the **Home** may be finished, the date at which ownership of the **Home** will transfer from the **Home Builder** to the **Buyer** on **Completion** and the date for handover of the **Home**.

### Spoken Statements

- 13.4 To avoid disputes over spoken statements immediately before **Contract Exchange** the **Home Builder** should ensure that the **Buyer**, through their legal representative, states in writing what spoken statements they are relying on when entering into the **Contract of Sale**.

## INFORMATION: EXCHANGE OF CONTRACT

### Contract termination rights

- 13.5 The **Buyer** must be told about their right to terminate the **Reservation Agreement** 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; and
  - Excessive or unreasonable delay in finishing the construction of the **Home** and serving the notice to complete.

### Documentation on **Completion**

- 13.6 The **Buyer** must be told whether or not BLP insurance has been issued for the **Home** on **Completion** or not, and if not provide the **Buyer** with reasons why it has not been issued.
- 13.7 **Home Buyers** should be provided with an information pack which must include the following:
- BLP documents where available or an explanation with reasons as to why they are not available;
  - BLP Homeowners Guide [www.blpinsurance.com](http://www.blpinsurance.com);
  - **Home Builders** Complaints Procedure;
  - A checklist of matters covered by the **Code**;
  - A clear description of the type of claims covered by the BLP insurance; and
  - How to submit complaints covered by the **Code** and the Financial Ombudsman Service (FCA).

## INFORMATION: EXCHANGE OF CONTRACT

### Contract Deposits and Reservation Fees

- 13.8 The **Home Builder** must clearly explain how the **Buyers' Contract Deposits** are protected and how any other pre-payments (such as reservation and administration fees) are dealt with.
- 13.9 The **Home Builder** must ensure that the **Buyer** is made aware of the following:
- That the **Reservation Fee** and **Contract Deposit** being a part payment of the purchase price for the **Home** will be held in a deposit account in trust or in an account which complies with the provisions of the Solicitors Regulation Authority Rules in respect of protecting client monies and assets which cannot be accessed by the **Home Builder** until **Completion**. At this point the conditions of sale have been satisfied;
  - The terms under which the **Reservation Fee, Contract Deposit** and any administration fees or similar which the **Home Builder** 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**; and
  - What happens in the event that the **Home Builder** goes insolvent.

## AFTER CONTRACT EXCHANGE

- 14.1 If a change occurs to the design, construction or materials to be used in the **Home** that will materially alter its value, the **Home Builder** must formerly consult the **Buyer** and obtain their written agreement to any changes.
- 14.2 Where the alterations materially affect the value of the **Home** and the **Buyer** does not agree with those alterations they may cancel the **Contract** without loss of deposit or the withholding of any fees.
- 14.3 The **Home Builder** must inform the **Buyer** that the deposit monies are held in a deposit account in trust which cannot be accessed by the **Home Builder** until completion when the conditions of sale have been satisfied.



## AFTER CONTRACT EXCHANGE

- 14.4 Minor changes that do not significantly alter the size, appearance or value of the **Home** should be communicated to the **Buyer**, with the advice that they may wish to consult their professional legal adviser as to the effect of those changes under the **Contract of Sale**. However, the **Buyer's** agreement is not required by the **Home Builder** in respect of such changes.
- 14.5 Changes requested by the **Buyer** and that the **Buyer** agrees to pay for that are not included in the **Reservation Agreement** or **Contract of Sale** must be agreed in writing by the parties. This agreement must include:
- Cancellation and refund rights; and
  - Estimated impact on the date the construction of the **Home** will be finished and available for occupation.

## HOME READY FOR COMPLETION AND HANDOVER

### Timings

- 15.1 The **Home Builder** should provide the **Buyer** with a schedule detailing timing of key stages including when the **Home** is ready for occupancy. General guidelines for timings and **Completion** should be part of the **Buyer** information pack. It should be regularly updated. **Home Builders** must ensure that all information on timings is accurate at the time it is provided. Weather and shortage of materials are issues that arise that are outside the **Home Builders** control and may result in delay to the construction of the **Home**.

### Home ready for occupancy

- 15.2 The point at which the **Home Builder** tells the **Buyer** when their **Home** is likely to be completed and available for occupation will depend on the build stage at the time the information is provided. The **Home Builder** may follow established internal process and methods. The following example is provided:
- Prior to completion of the foundations and the floor; the **Buyer** may be told the calendar quarter the **Home** is likely to be ready;
  - On completion of the roof and the weatherproofing the **Buyer** may be told the month the **Home** is likely to be ready; and
  - When the decoration is complete and main services are connected the **Buyer** may be told the week the **Home** is likely to be ready.

**HOME READY FOR COMPLETION AND HANDOVER****Handover**

- 15.3 Handover of the **Home** to the **Buyer** should include thorough and detailed handover, identifying any outstanding work within the **Home** or to other areas of the development serving the **Home**.
- 15.4 The **Home Builder** must provide the **Buyer** of the **Home** with:
- Guidance on **Snagging**, what it is and how to report any **Snagging** problems they encounter at the **Home**;
  - Make it clear that **Snagging** is not covered by the BLP insurance policy. A **Snagging** checklist is available in the BLP Homeowners Guide (see [www.blpinsurance.com/homeowners](http://www.blpinsurance.com/homeowners));
  - Make it clear that any dispute in respect of **Snagging** will be subject to the provisions of the BLP **Code** for the Sale of New Homes and the **Dispute Resolution Scheme** provided for at Clause 21;
  - An explanation of how appliances operate;
  - Full details of guarantees / warranties that accompany the **Home** such as:
    - Tanking guarantees;
    - Timber treatment guarantees;
    - Ground remediation guarantees;
    - Including an explanation of how long each guarantee or warranty lasts and any **Buyer's** responsibilities that affect cover;
    - Full details of the after sales service offered, including how long it lasts, contact names and numbers and what to do in an emergency; and
    - Details of the **Dispute Resolution Scheme** for **Disputes** under the **Code**.
- 15.5 The **Home Builder** should not use high pressure selling of additional insurance products, warranties or guarantees nor misrepresent their costs, coverage or the benefits that they provide. In the event that the **Home Builder** receives any commission for recommending certain products this should be declared to the **Buyer**, together with the amount of commission.

**INFORMATION: DURING OCCUPATION****After sales service**

- 16.1 The **Home Builder** must provide the **Buyer** with a comprehensive and accessible after-sales service pack. The pack must contain:
- Who to contact in respect of **Water Ingress** in the first year of the BLP insurance;
  - Contact details for the **Home Builder** in relation to after-sales service (see 'Contact Information' below);
  - Process for handling emergencies;
  - Guarantees and warranties that apply to the **Home**; and
  - Duration of the after-sales service.
- 16.2 The **Home Builder** must not use premium rate numbers. In the absence of a Freephone number being provided, a national or local rate telephone number must be used.
- 16.3 Guarantees, warranties and instruction manuals for components (e.g. boilers) and / or white goods supplied with the **Home** but not part of the **Material Fabric** of the **Home** should be given to the **Buyer** on **Completion**.
- 16.4 If the **Home Builder** needs to visit or carry out works on the **Home** after it is occupied by the **Buyer**, then the following steps should be taken:
- The **Home Builder** should make a mutually agreed appointment time with the **Buyer**;
  - The appointment should be made when a responsible adult is present to represent the **Buyer**;
  - If a responsible adult is not present at the **Home** at the time arranged then the **Home Builder** should not enter the **Home** and should rearrange the appointment with the **Buyer**; and
  - Prior to entering the Home the **Home Builder** should provide identification.

## INFORMATION: DURING OCCUPATION

- 16.5 On attending the Home the **Home Builder** should:
- Act in a professional and considerate manner at all times;
  - Be considerate of the contents of the **Home**, including consideration of foot wear in respect of floor coverings; and
  - Ensure all debris is cleared and the area where work has been completed is clean and tidy.

### Contact information

- 16.6 The **Home Builder** must provide accurate and current contact information for the **Buyer** before, during and after **Completion**. This will include an address, active telephone number, SMS and email details. Well trained and knowledgeable staff must provide this service.

## COMPLAINTS AND DISPUTES

- 17.1 The **Home Builder** must have a system and procedures for receiving, handling and resolving **Buyers'** service calls and complaints.
- 17.2 The **Buyer** must be provided with a written document informing them of how to access the procedure and systems. The procedure should clearly state that a response will be received from the **Home Builder** within 30 calendar days of the complaint being made. The **Home Builder** should also inform the **Buyer** of the estimated time within which a decision will be reached and, where applicable, an estimated time within which the required work will be completed.
- 17.3 The **Home Builder** must confirm this to the **Buyer** together with the escalation / dispute resolution arrangements operated as part of this **Code**, in writing.
- 17.4 The **Home Builder** must provide the **Buyer** with a written document outlining the **Dispute Resolution Scheme** operated as part of this **Code**. It should be clear that the **Dispute Resolution Scheme** can only deal with matters that fall within the scope of the **Code** as set out in Matters covered by the Code on page 5.

## WHAT IS A DISPUTE?

- 18.1 Where a **Buyer** has suffered financial loss and / or emotional distress and / or inconvenience as a result of the **Home Builder** failing to comply with the requirements of the **Code**, the **Dispute Resolution Scheme** is the process through which that dispute will be managed under the terms and conditions of the **Code**.
- 18.2 A **Dispute** covered by the **Code** does not include any dispute under the BLP insurance policy or between BLP and the **Buyer** nor any matter that does not fall within the scope of the **Code**.
- 18.3 A **Buyer** who believes they have suffered financial loss and / or emotional distress and inconvenience because a **Home Builder** has failed to meet the **Code** requirements as stated in Clauses 2 – 16 above may refer the **Dispute** for BLP Mediation (see Clause 20) or to the BLP Independent **Dispute Resolution Scheme** (see Clause 21).
- 18.4 A **Buyer** must first complain to their **Home Builder** and give the **Home Builder** the opportunity to investigate and put things right in accordance with the **Home Builder's** complaints procedure.
- 18.5 If the **Buyer** is not satisfied with the **Home Builder's** response or has not received a response from the **Home Builder** within 60 calendar days of submitting their complaint to the **Home Builder** in writing, the **Buyer** may refer the Dispute to the **Dispute Resolution Scheme** process (See Clause 21).
- 18.6 Dispute resolution awards comprise:
- i) 25% of the purchase price of the **Home** and / or emotional distress and / or inconvenience compensation up to a maximum of £1,000 subject to a maximum aggregate award of £50,000 inclusive of VAT in the aggregate for all claims arising in respect of the **Home**; or
  - ii) completion of work required to the Home which is agreed by the Adjudicator within the financial limits of the Dispute; or
  - iii) A combination of financial compensation or completion of work to the Home within the financial limits of a Dispute.

19.

## CO-OPERATION WITH PROFESSIONAL ADVISERS

- 19.1 The **Home Builder** must co-operate with appropriately qualified professional advisers appointed by the **Buyer** to resolve disputes. Professional advisors would include solicitors and qualified surveyors.
- 19.2 The **Home Builder** must provide the same level of co-operation to an intermediary, so a family member, friend or civil advisor appointed for and on behalf of a **Buyer** as they would to a **Buyer**.

20.

## BLP MEDIATION

- 20.1 The **Buyer** may bring the **Dispute** to BLP for mediation within three months of the date of the **Home Builder's** final response or final offer to resolve the original complaint or within three months of the date of making their original complaint in writing to the **Home Builder**, whichever is the later. Mediation is a free service provided by BLP. The results of the mediation will be advised to the **Buyer** within 40 calendar days of the **Dispute** being referred.

BLP will:

- 20.2 Engage directly with the **Home Builder** to assess whether there may be an amicable solution to the claim. Should this be unsuccessful within a further 40 calendar days then the **Buyer** has the right to refer the complaint to the **Dispute Resolution Scheme** procedure (see Clause 21 overleaf).
- 20.3 Any claim or dispute arising as a result of a claim under a BLP insurance policy will be managed and subject to the BLP insurance Complaints Handling process and will not fall within the scope of the **Code**.

## BLP DISPUTE RESOLUTION SCHEME; ADJUDICATOR'S DECISION

- 21.1 The Dispute **Resolution Scheme** is independent of the **Home Builder** and BLP. Any matter referred to this procedure concerns disputes under the **Code**. Decisions are not insured under the BLP insurance.
- 21.2 The **Buyer** may refer the **Dispute** to BLP within 60 calendar days of receiving a final response from the **Home Builder**.
- 21.3 The adjudication will be independent and conducted by a trained independent Adjudicator ("Adjudicator") who must be a member of the Centre for Independent Dispute Resolution ("CEDR"). CEDR will appoint an independent Adjudicator to resolve a dispute through its Independent Dispute Resolution Service.
- 21.4 The **Home Builder** must comply with the Adjudicator's decisions which may comprise any of the following:
- The maximum value of any award will be 25% of the contract price of the **Home** subject to a maximum award of £50,000 inclusive of VAT in the aggregate for all claims arising in respect of the **Home**;
  - Awards for emotional distress and / or inconvenience subject to a maximum award of £1,000;
  - Reimbursement of the **Buyer's** case registration fee of £100;
  - Comply with any performance award that may be advised by the Adjudicator i.e. carry out work on the **Home**;
  - Comply with any combination award i.e. a combination of reimbursement of financial loss, compensation for emotional distress and inconvenience not to exceed £1,000, and carrying out work on the **Home**;
  - Referral of the **Home Builder** to the **Disciplinary and Sanctions Panel**; and
  - Pay the **Buyer** the amount of any such award if accepted by the **Buyer** within the period for payment required by the Adjudicator.
- 21.5 A summary of the process is provided below and an illustrative flowchart of the dispute resolution process and further information is available at [blpinsurance.com/homeowners](http://blpinsurance.com/homeowners). More detailed information will be provided in response to each application for adjudication.

## BLP DISPUTE RESOLUTION SCHEME: ADJUDICATION PROCESS

- 22.1 The **Buyer** must complete an application form and send it to the independent **Dispute Resolution Scheme** with their statement of evidence and a case registration fee of £100 plus VAT. Their statement must contain all the information relevant to the complaint together with copies of receipts or other evidence of expenditure.
- 22.2 The Adjudicator will ask the **Home Builder** to respond to the **Buyer's** statement. At this stage the **Home Builder** may resolve the complaint without formal adjudication – this is called “early settlement” and costs the **Home Builder** a reduced fee of £250 plus VAT.
- 22.3 If early settlement does not happen, the **Home Builder** must submit their response to the **Buyer's** statement along with payment of £500 plus VAT. The **Buyer** will be given a copy of the **Home Builder's** response and asked to respond if they wish. At this stage the **Buyer** may not make any further new complaints about this adjudication.
- 22.4 The Adjudicator will review written submissions from both parties and decide whether or not a **Buyer** has a legitimate dispute and has suffered financial loss and / or emotional distress and / or inconvenience and if so how much loss / emotional distress / inconvenience because the **Home Builder** was in breach of the requirements of the **Code**. Both parties will be expected to have acted reasonably and to have controlled their costs.
- 22.5 The Adjudicator will make a decision and send it to both parties. The decision may be a performance award (where the **Home Builder** has to do something) or a financial award (where the **Home Builder** has to pay the **Buyer** money) or a combination of the two.
- 22.6 The Adjudicator's decision cannot be appealed; it can only be accepted or rejected by the **Buyer**.



23.

## AWARDS: ACCEPTANCE, REFUSAL AND LIABILITY

- 23.1 Under the terms and conditions of the BLP Client Services Agreement signed with the **Home Builder**, BLP requires that any **Home Builder** who has taken out an insurance policy with BLP will honour any award made against them under the independent **Dispute Resolution Scheme**. If the **Buyer** accepts the award, the courts will usually recognise this as evidence that the **Buyer's** claim was valid.
- 23.2 If a **Buyer** refuses to accept the award any subsequent legal action is likely to take account of the adjudication decision.
- 23.3 The **Home Builder** remains liable to pay the Adjudicator's award, even if BLP refuses to quote for any further new business. The BLP Client Services Agreement governs the contractual relationship between BLP and the **Home Builder** which is entered into by both parties when the BLP quote is accepted. Clause 9.2 of the Client Services Agreement requires the **Home Builder** to agree to "comply with the terms of the BLP Code for the Sale of New Homes and undertakes to comply with any decision given as a result of the independent **Dispute Resolution Scheme** and accept the award of the Adjudicator". If the **Home Builder** fails to accept the Adjudicator's award, BLP may take legal action against the **Home Builder** under the Client Services Agreement to enforce the terms and conditions of the award.

24.

## DISCIPLINARY AND SANCTIONS PANEL

- 24.1 Any contravention of the **Code** by a **Home Builder** will be treated as a very serious matter by BLP.
- 24.2 Where required BLP will convene a Disciplinary and Sanctions Panel that will consist of:
- Two insurance professionals;
  - An independent consumer protection expert;
  - A Trading Standards professional;
  - A construction industry professional; and
  - A chairperson will be appointed by the Panel and that decisions will be made on the basis of a clear majority.

## DISCIPLINARY AND SANCTIONS PANEL

Should the **Home Builder** fail to comply with the **Code** there are a range of sanctions which the Disciplinary and Sanctions Panel can enforce depending on the level of seriousness of the breach:

a) BLP training programme

Where the breach is deemed to be of a minor nature by the Disciplinary and Sanctions Panel, they will require the **Home Builder** to participate in a training programme to ensure that they understand what they have to do to comply with the **Code**, that they take it seriously and learn lessons from their mistakes. If the **Home Builder** refuses to participate in the training programme, BLP may treat this as a serious contravention of the **Code** and refuse to quote for new business for the **Home Builder**.

b) Imposing fines for breaches of the **Code**

If the **Home Builder** fails to inform the **Buyer** that it has the option under the **Code** to upgrade to BLPSECUREPLUS (subject always to the payment of an additional premium by the **Buyer** or the **Home Builder** in such contributions as they may agree between themselves), then BLP shall have the power to fine the **Home Builder** in a sum equal to that additional premium together with a fixed fee of £1,000 + VAT for BLP's reasonable expenses for dealing with this breach of the **Code**. To remove the **Buyer's** consumer detriment, BLP will, on receipt of the fine from the **Home Builder**, pay Allianz the additional premium and arrange for the **Buyer** to have the benefit of the enhanced insurance protection provided by BLPSECUREPLUS.

Other fines may be imposed on the **Home Builder** for breaches of the **Code** determined by the Disciplinary and Sanctions Committee to be of a minor nature.

## DISCIPLINARY AND SANCTIONS PANEL

- c) Refusing to quote for new business for the **Home Builder**.

Where the breach of the **Code** is deemed to be serious and the breach has been identified by the Disciplinary and Sanctions Panel, then BLP will refuse to quote for the **Home Builder** on new business. This is a serious sanction. Residential defects insurance is a requirement of the Council of Mortgage Lenders. The **Home Builder** who is refused such insurance will find it very difficult if not impossible to sell the homes they build.

This refusal to quote shall be extended to any company of which the **Home Builder** is a statutory director listed in the register of directors maintained by Companies House, including any special purpose vehicles which the **Home Builder** sets up from time to time.

For the most serious contraventions of the **Code** (e.g. a refusal by the **Home Builder** to honour the payment of an award made by an adjudicator under Clause 23 on page 31), the refusal to quote will be for a period of not less than 10 years.

In all other cases, the refusal to quote will continue for a minimum period of not less than three years or until such time as the **Home Builder** has taken all necessary steps to comply with the **Code**.

BLP will also recommend to other home warranty bodies that they remove the **Home Builder** in question from the registers they maintain in the event that BLP has refused to quote new business for a **Home Builder**.

Any such recommendation would be made by BLP to the other home warranty providers within four weeks of BLP's decision not to quote new business.

- 24.3) As set out in Clause 1 on page 8 BLP requires the **Home Builder** to subscribe to and comply with the terms of the **Code**. If the **Home Builder** is in serious breach of the **Code**, BLP may take legal action against the **Home Builder** under the terms and conditions of the Client Services Agreement.

Buying a home is, for many of us, the most significant financial commitment of our lives. Our aims are to enhance the quality of your purchase and to help you feel secure.

**Please contact us if you feel you need our help.**

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