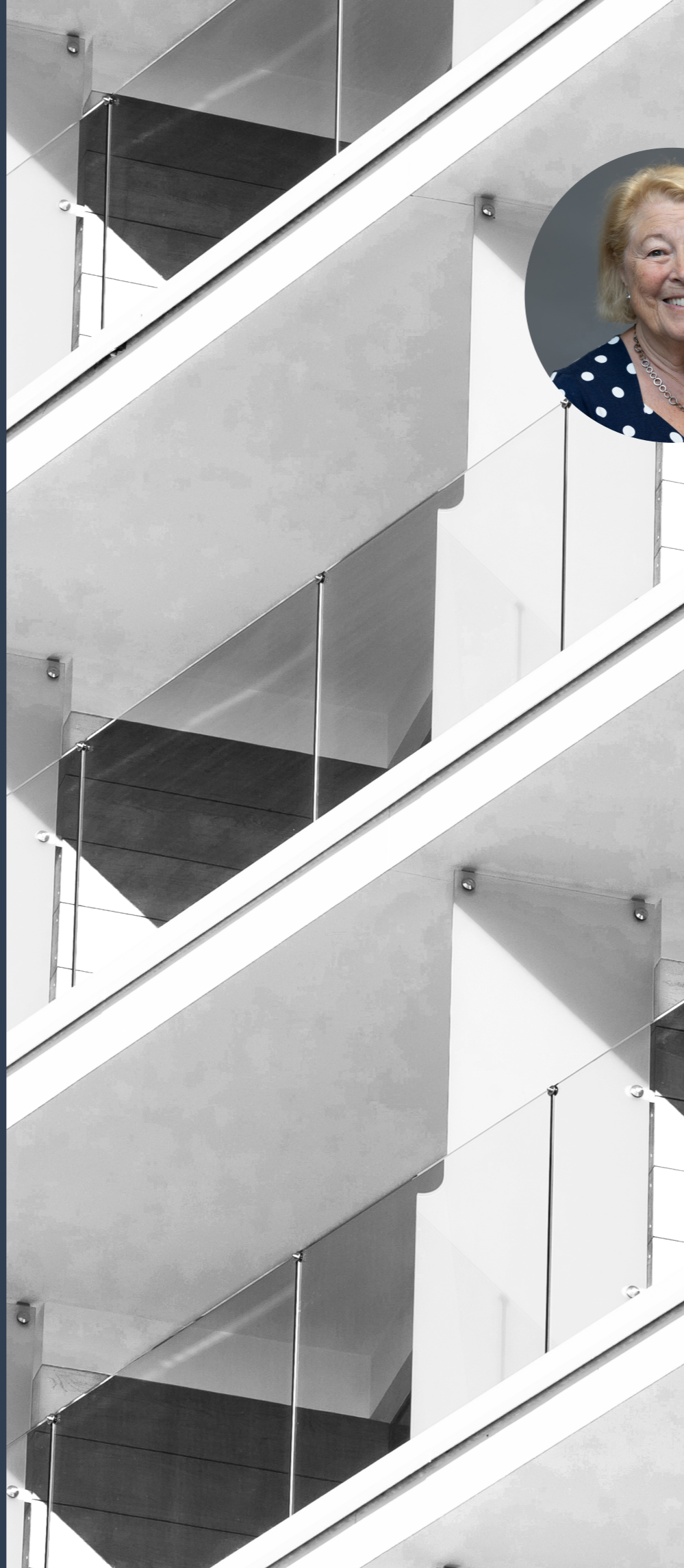




NEW HOMES  
OMBUDSMAN SERVICE

# Annual Review 2022/23





## Foreword from Jodi Berg

I am honoured to be chairing the Board of the New Homes Ombudsman Service. Since our appointment in 2021 we have been preparing the ground to deliver the highest quality of dispute resolution service for developers and their customers who remain dissatisfied with the response previously offered to their complaints.

The Ombuds, Alison MacDougall is a highly experienced dispute handler with a distinguished background of leading complaint handling services. Backing her she has the assistance of case handling colleagues and a front-line triage team who are able to assist people with enquiries and referrals and point them in the direction necessary to help them take their complaints forward.

In terms of governance, we are a sub-division of The Dispute Service Ltd, a not for profit organisation which has been resolving disputes in the Private Rented Sector for 20 years. Our independent Board includes members who have themselves a background as ombudsmen, as well as others with broad experience in the sector. Together with Alison, we have set the strategic direction for our service and keep a watchful eye on progress.

We have a very positive relationship with the New Homes Quality Board (NHQB) and are on the same page in terms of our mutual determination to drive forward improvement in the quality of new builds and customer service. The New Homes Quality Code sets the standard against which the Ombuds will judge complaints against developers. So, we are delighted that approaching 200 developers, accounting for over 80% of the new homes sector in England, Scotland and Wales, have already or are in the process of signing up to the Code and accepting the remit of NHOS.

It is early days, but we have made a good start and are ready to play our full part in settling complaints and, wherever possible, learning the lessons from them which will serve to avoid similar problems arising in the future.

**Jodi Berg OBE**  
Chair  
New Homes Ombudsman Service

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## Introduction from Alison MacDougall

I am delighted to have been appointed to lead the New Homes Ombudsman Service and to deliver independent and enhanced redress for consumers when unresolved issues arise with their new build homes. This is a high profile industry whose customers are making a significant financial and emotional investment in their home.

Whether they are first time buyers or more experienced homeowners who have not bought a new home before, it is critical that the relationship between the developer and the customer is based on transparency, open communication and fair treatment through the build process and beyond. These values are at the heart of the New Homes Quality Code and our role is to look at complaints from the perspective of whether the developer has met the standards set out in the Code. In our first year, I have been fortunate to spend time with a number of developers, understanding what their customers' journeys look and feel like and the measures they

are taking to ensure they meet the requirements of the Code. I have been pleased to see a real commitment to raising standards and making the customer's experience a positive one from their first visit to well beyond the move in day.

We are starting to see our first eligible complaints and it is inevitable that there will be consumers whose experience has fallen below the standards set out in the Code.

Where that is the case, we will be working with the developer and their customer to reach a solution which recognises what has gone wrong and puts it right for the consumer as quickly as possible.

I look forward to reporting back next year on our work to resolve issues for new home buyers and to contribute to raising standards in complaint handling in this important industry.



## Background to the establishment of the New Homes Ombudsman Service

The New Homes Quality Board (NHQB) is an independent not for profit body established to provide a new framework to oversee reforms in the build quality of new homes and the customer service provided by developers. The framework includes the establishment of a New Homes Ombudsman to strengthen redress for consumers when the expected high standards of new home quality and service have not been met.

The Dispute Service Ltd, a not for profit organisation with a successful track record in providing dispute resolution in the Private Rented Sector since 2003 was appointed by the NHQB in 2021 to operate the New Homes Ombudsman Service.

During 2021 and early 2022, the following milestones were met:

- The NHQB launched a new industry Code of Practice, the New Homes Quality Code setting out the quality and service standards expected of developers registering with the NHQB;
- Developers were invited to join the NHQB's Register;
- The New Homes Ombudsman Service was established as a subsidiary of the Dispute Service, with an independent Board;
- The Rules of the New Homes Ombudsman Service were finalised;
- The New Homes Ombudsman Service was granted full ombudsman status by the Ombudsman Association;
- A customer contact service was launched to handle enquiries from new homebuyers
- A full service website for the New Homes Ombudsman Service was launched, including a complaints portal to allow the secure and transparent sharing of information and evidence between the customer, the developer and the Ombudsman;
- The first developers to complete the registration process with NHQB and come under the jurisdiction of the Ombudsman went live with events held in Westminster, Edinburgh and Cardiff
- By March 2023, 42 developer groups were working under the New Homes Quality Code and subject to the New Homes Ombudsman Service, accounting for approximately 30% of private new build volume.

## Timeline to launch

Awarding of contract  
November 2021

Appointment  
of Board  
March 2022

Ombudsman  
status granted  
March 2022

Website  
launched  
September 2022

First developers  
under jurisdiction  
October 2022

Approximately 30%  
coverage of the private  
new build market  
March 2023

## The aims of the New Homes Ombudsman Service (NHOS)

NHOS' aims are:

- To establish an effective Ombudsman Scheme to enable home buyers to seek redress in respect of complaints about Registered Developers
- To raise standards in the industry through its recommendations for process and operational improvement and through its work with developers on internal complaint handling

## Establishing an effective Ombudsman Scheme to enable home buyers to seek redress in respect of complaints about Registered Developers

During the year we launched a new customer complaints website, incorporating an evidence gathering portal and a casework management solution. The system is designed to allow customers of eligible developers to access information about NHOS and easily raise and manage a complaint online. Homebuyers can also raise and manage their complaints on paper by post and further assistance in accessing our services is available via our casework and customer services teams.

A particular focus of NHOS' approach to complaints is to encourage the parties to reach a mutually agreed solution where possible. NHOS staff will work with customers and developers to achieve an outcome which is acceptable to both. We can do this by speaking to the homebuyer and developer separately, or by inviting them to a mediation session where a trained mediator will help identify a way forward.

Where cases need to be dealt with by way of a formal Ombudsman decision, we aim to conclude our investigation in a timely manner, using our evidence portal to ensure customers and developers have full transparency of the information on which the decision is based. There is a range of redress outcomes available to the Ombudsman, including asking the developer to apologise, explain or put things right for the customer, either by taking action themselves or occasionally paying for a third-party contractor to undertake remedial work. In each case, the aim is to identify the best way to restore the customer to the position they should have been in if the issues arising in the complaint had not happened.

## Raising standards in the industry through its recommendations for standards improvement and through its work with developers on complaint handling

A key objective for NHOS is to work with the NHQB and the industry to raise standards in the new homes sector. We will do this through sharing information on lessons learned from complaints, publishing anonymised details of complaints handled, making specific recommendations as required to NHQB and engaging with the industry to share what we see as best practice.

In our first year, key NHOS staff have spent time with the industry, visiting sites and sales offices to get a better understanding of industry practices and in particular gaining insights into the process of buying a new home from a customer's perspective. This has been a very valuable exercise and it has been particularly encouraging to see the commitment of developers registering with the NHQB to meet the requirements of the new Code and the reasonable expectations of customers who are making a significant financial and emotional investment in their new home.

It is clear that the introduction of the New Homes Quality Code has caused a number of developers to sharpen their focus on customer care and to ensure that the experience of the customer from the point of initial contact through to move in and thereafter is as positive as it should be. The need to be transparent and communicate clearly with the customer when issues arise is key to forging or continuing a successful relationship between the consumer and the developer, and is fundamental to the ability of developers to deal with complaints at source, without the consumer needing to escalate their concerns to the Ombudsman.

By the end of March 2023, NHOS had started to receive enquiries from homebuyers whose issues would fall within our jurisdiction, but which had yet to be dealt with through the developer's internal complaints process. As is common with ombudsman schemes, our Rules require that the consumer engages with the developer in the

first instance, as the likelihood is that the developer will be able to resolve the issue for them. It is encouraging that none of these enquiries have yet returned to us, indicating that the new complaints process put in place by the New Homes Quality Code may be achieving its aim of driving successful resolution at source.

As the number of complaints we receive starts to build in 2023-24, we will be monitoring the way in which the developers have been operating their complaints policies and making any necessary recommendations for improvement directly to the organisations and to the NHQB.

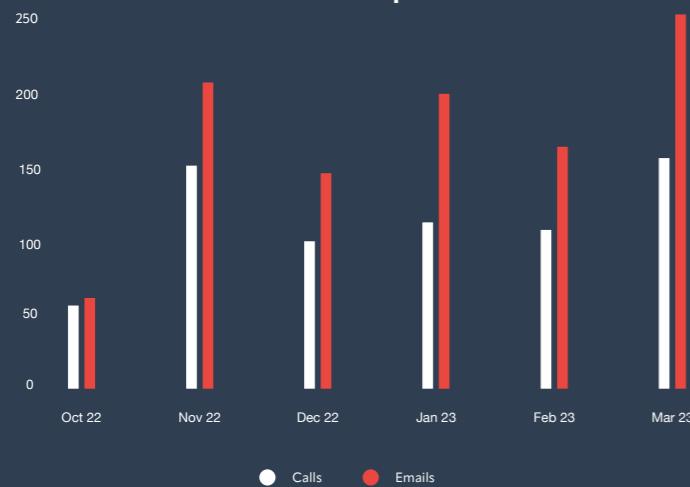
# Customer Enquiries

As the New Homes Ombudsman Service only applies to new customers of registered developers from the point at which the developer's NHQB registration becomes active, it was inevitable that the bulk of enquiries in our first year would be from consumers whose concerns did not fall within our jurisdiction. This was either because the developer was not yet on the NHQB active register, or because the customer's engagement with the developer pre-dated the developer joining NHQB.

Our customer contact centre staff have been trained to understand the customer's current position and where possible to suggest other avenues which may be available to them to address concerns we are currently unable to help with. The landscape for the consumer can be confusing, with a number of redress avenues available through warranty providers, other consumer codes and sometimes through other Ombudsman organisations, depending on the subject matter of the complaint. If it seems that the consumer may still have options available to them, the customer contact team will suggest that they check initially with their developer which warranty provider or consumer code applies to them to try to reduce unnecessary further discussions.

The charts below provide some further information about the numbers and nature of the enquiries dealt with over the year, the majority of which occurred after October 2022 when the first registered developers joined the active register with NHQB.

### Volume of Enquiries



Enquiries have increased steadily since the first developers completed their registrations with the NHQB, totalling over 1,000 by the end of the first 6 months. Around 65% of the contact is by phone.

**32**  
secs

Average call response

**6**  
mins

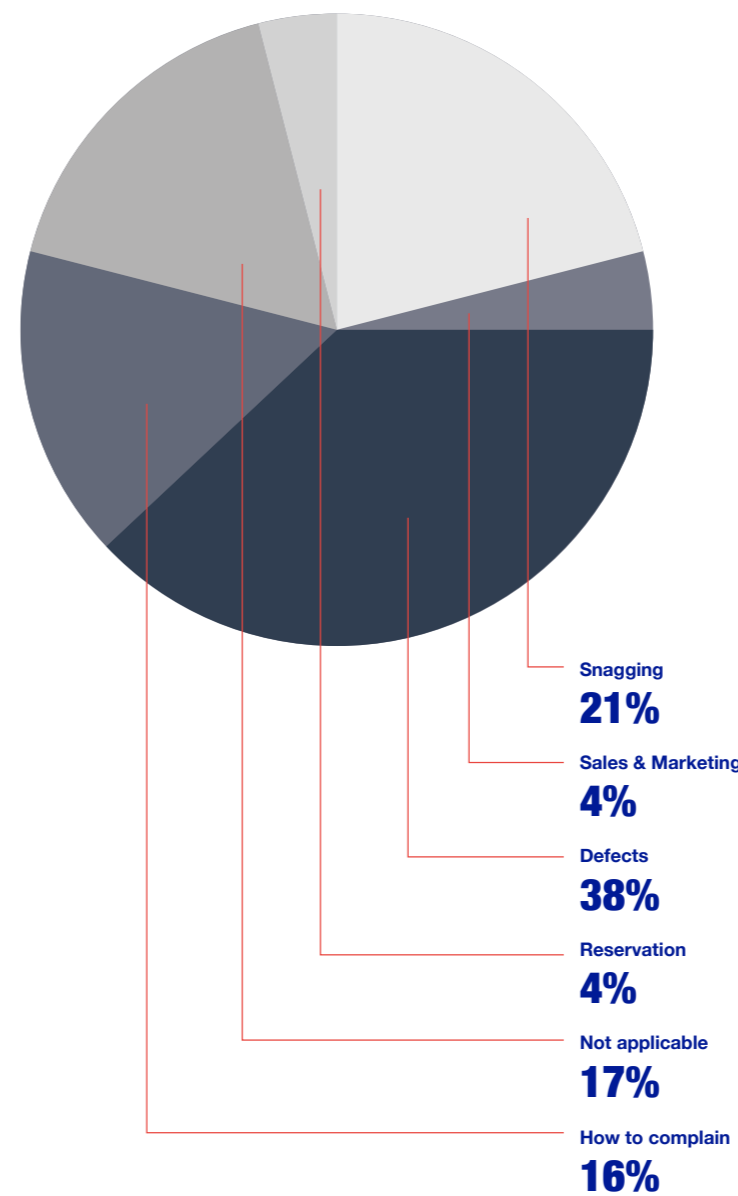
Average call length

**40**  
mins

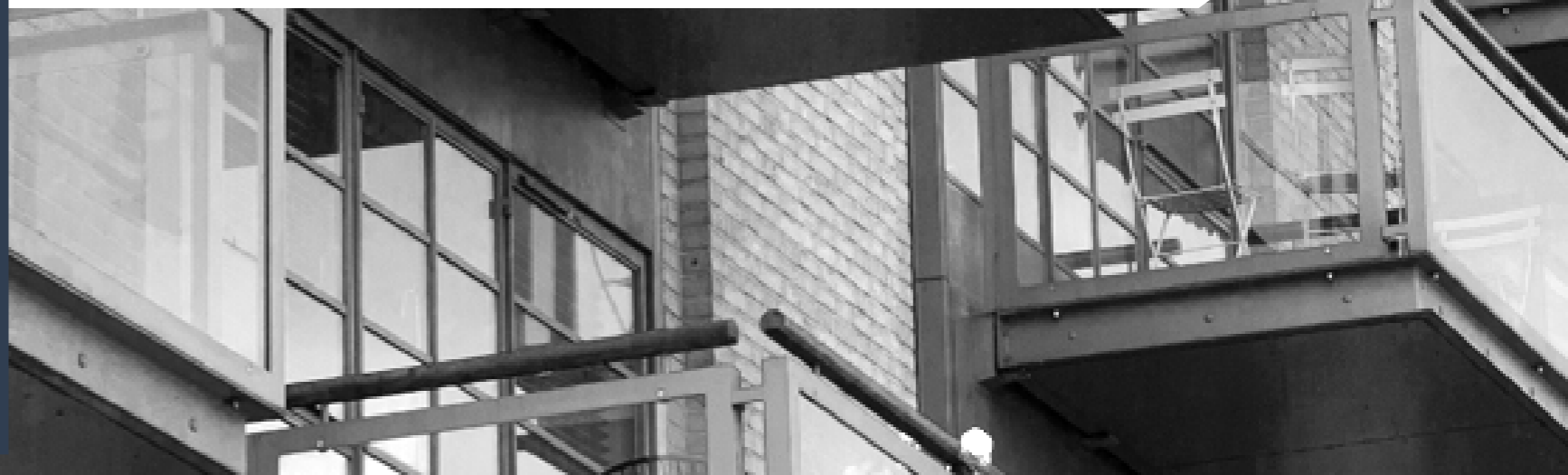
Average email response

Our customer contact team is based in Glasgow and is committed to high service standards, responding efficiently to enquiries both by phone and email.

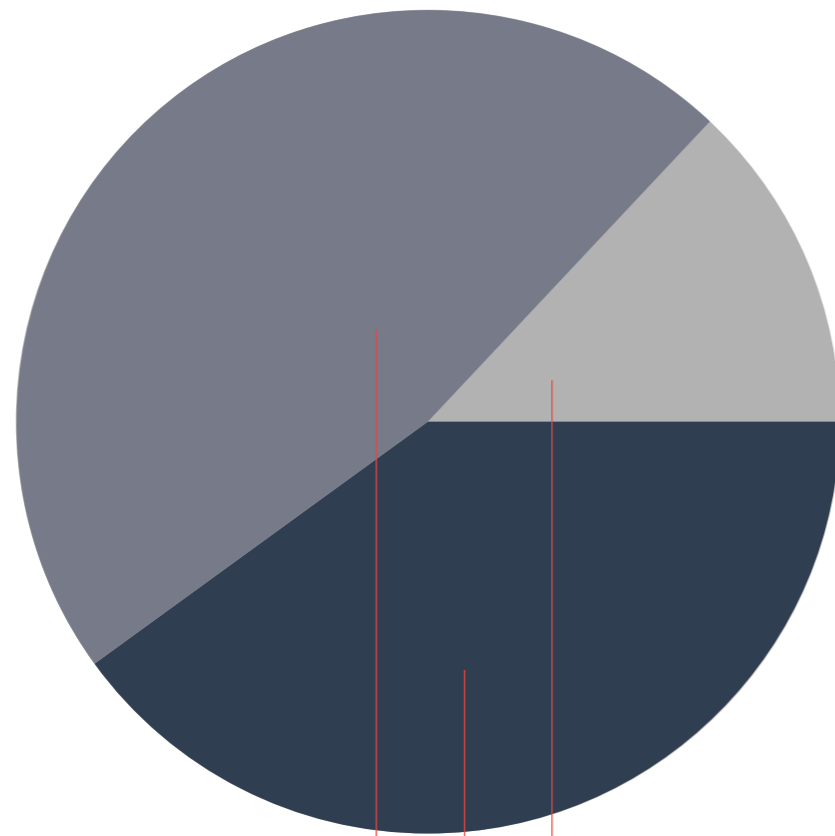
### Subject matter of enquiries



Almost 60% of the enquiries received in the first 6 months related to the post ownership stage of the customer journey and the quality of the build. As most of our enquiries in this period came from consumers who had already completed their purchases before the service went live, this is not surprising. It also reflects the need for further strengthening of the redress available for homebuyers at the post completion stage of their journey, which was one of the major points of focus for the New Homes Quality Code.



Enquiries by developer status



Active  
**13%**

Pending  
**40%**

Other  
**47%**

This chart measures the organisations about whom enquiries were received in the six months to March 2023 and illustrates that the majority of contact related to developers who had already committed to joining the NHQB. It is therefore anticipated that the majority of future enquiries are likely to fall within jurisdiction once the developers have completed their registration journey with the NHQB.

# The Board

The New Homes Ombudsman Service is a subsidiary of the Dispute Service Ltd, which is a not for profit company specialising in dispute resolution work in relation to tenancy deposits in the private rented sector and tenant-landlord mediation and conciliation for issues arising during a tenancy.

The NHO Service Board oversees the work of the Ombudsman and meets four times a year. It has a majority of directors who are independent of the housebuilding industry. It has no involvement in decisions taken by the Ombudsman, but does review the operation and management of the Service.

The Board has a majority of independent directors and consists of:

<p><b>Jodi Berg</b> OBE Chair <i>Chair, National Residential Landlords Association</i></p>	<p><b>Professor Martin Partington</b> QC, CBE <i>Emeritus Professor of Law, former Law Commissioner</i></p>	<p><b>Steve Harriott</b> Group Chief Executive <i>The Dispute Service</i></p>
<p><b>Malcom MacLeod</b> <i>Former Regional Director in Scotland with NHBC</i></p>	<p><b>Sarah Daniel</b> <i>Waterways Ombudsman</i></p>	<p><b>Mike Biles</b> <i>Former Housing Ombudsman</i></p>



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