ARK NEW HOME BUYERS ANNUAL CONSUMER CODE REPORT

APRIL 2024/25



FOREWORD

This year's Annual Report marks a pivotal moment in our ongoing collaboration with home builders, insurers, and consumer advocates across the UK. As senior warranty underwriter of Ark Insurance Group, I'm pleased to reflect on the progress we've made together in raising standards, improving transparency, and delivering a better experience for every new home buyer.

The Code is not just a set of principles—it's a shared commitment to build trust in the home buying process.

Over the past year, we've seen continued growth in consumer awareness and industry engagement with the Code. Our commitment to transparency, fairness, and accountability remains unwavering, .

This year's report highlights key developments, including enhanced guidance for developers, improved dispute resolution mechanisms, and a renewed focus on accessibility and clarity for consumers. We've also strengthened our collaboration with Trading Standards, reinforcing our position as an Approved Code and ensuring that our practices align with national consumer protection frameworks.

Buying a new home is one of the most significant decisions a person can make. It's not just about bricks and mortar—it's about trust, confidence, and peace of mind. The Ark New Home Buyers Consumer Code exists to uphold those values, and this report reflects our ongoing dedication to that purpose.

I would like to thank our partners, stakeholders, and most importantly, the home builders and consumers who continue to shape and inspire our work. Our collective efforts are transforming the home buying process into one that champions integrity and consumer confidence.

Jonathan Cox

CHARTERED INSURANCE PRACTITIONER
& SENIOR WARRANTY UNDERWRITER

ark insurance group



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OVERVIEW OF YEARLY ACTIVITIES

This year marked continued progress in upholding the principles of fairness, transparency, and accountability across the home building sector. Our activities focused on promoting awareness of the Consumer Code, supporting members in its implementation, and ensuring that home buyers receive the protection and clarity they deserve.

We strengthened our outreach efforts and enhanced our monitoring and compliance checks. Through proactive engagement and targeted reviews, we identified areas for improvement and worked collaboratively with developers to raise standards.

Home buyer satisfaction remained a central focus, with survey insights guiding refinements to Code provisions and member practices. Our dispute resolution processes continued to offer accessible, impartial pathways for resolving concerns, reinforcing trust in the system.

Enforcement actions and breach investigations were handled with diligence, ensuring that non-compliance was addressed swiftly and fairly. These activities informed meaningful updates to the Code, helping reduce consumer detriment and improve outcomes.

Looking ahead, we remain committed to evolving the Code in response to emerging trends, stakeholder feedback, and the changing needs of home buyers. Our work this year lays a strong foundation for continued improvement and sector-wide accountability.



PROMOTING THE CODE

The Consumer Code has been actively promoted through multiple channels, including digital accessibility, printed materials, and stakeholder engagement. However, our primary and most impactful avenue of promotion remains our direct engagement with home builders and buyers. We are committed to embedding awareness of the Code at the grassroots level—among those who deliver and benefit from its protections.

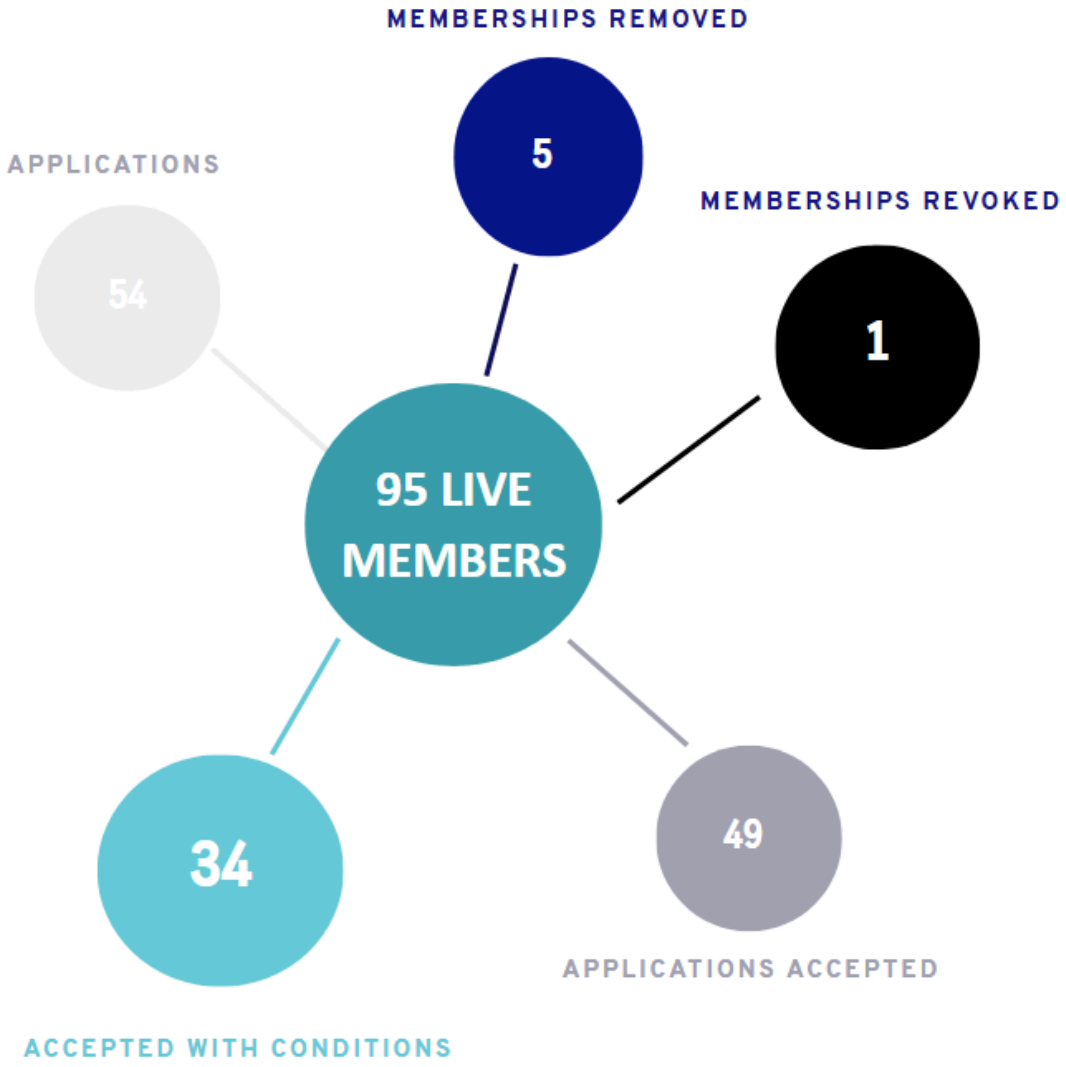
Our approach ensures that home builders are informed from the earliest stages of their involvement about their obligations under the Code and the standards expected of them. Simultaneously, we work to empower consumers by raising awareness of their rights and the support available to them at the earliest opportunity. This foundational engagement is rooted in our belief that meaningful promotion begins with education, transparency, and accountability at every stage of the home-buying journey.

Through tailored training, onboarding materials, and ongoing communication with developers, we reinforce the importance of compliance and consumer care. For buyers, we provide accessible resources, brochures, and digital content that clearly explain the Code's benefits and the role of the Alternative Dispute Resolution Scheme (ADRS) in resolving issues fairly and efficiently.

This dual focus ensures that both parties—providers and recipients—are equipped to uphold and benefit from the principles of the Ark New Home Buyers Consumer Code.

By facilitating open dialogue and feedback loops, we've also helped stakeholders prepare for and adapt to evolving standards—reinforcing our shared commitment to improving outcomes for new home buyers.

CODE MEMBERSHIP



As part of our ongoing commitment to maintaining high standards and transparency, we continue to monitor and report on membership activity under the Consumer Code. To date, we have a total of 95 active members, reflecting a strong and growing base of developers committed to upholding the principles of consumer protection.
In line with our compliance and governance framework:

- 1 membership has been formally revoked due to non-compliance.
- 5 memberships have been removed, either voluntarily or following review.

We have also received 54 applications for Consumer Code membership. Of these:
49 applications have been accepted and 34 of those accepted were subject to conditions, ensuring that applicants meet specific criteria before full membership is granted.

These figures illustrate both the robustness of our vetting process and the sector's willingness to engage with the Consumer Code. We remain focused on supporting members through guidance, monitoring, and continuous improvement to ensure the Code delivers meaningful protection for consumers.

CODE MONITORING

A total of 305 units across 26 developments have successfully completed Consumer Code monitoring in line with our established code monitoring requirements. This process ensures that developers are not only adhering to the principles of the Code but are actively demonstrating best practices in consumer care, transparency, and dispute resolution.

Outcomes have been encouraging, with the majority of developments meeting compliance standards and showing a clear commitment to improving the home-buying experience. Monitoring has helped identify and address several recurring issues, including:

- Incomplete, unsubstantiated or unclear sales and marketing information provided to home buyers.
- Inconsistent or absent complaint handling procedures, particularly around having a process that does not include time frames required by the Code, and failing to keep adequate records of complaints received.
- No policy for working with consumers in vulnerable circumstances

In response, we've worked closely with developers to implement corrective actions. For example, a number of home builders have revised their sales literature to better reflect the Code's requirements and revising complaints templates and information provided to home buyers.

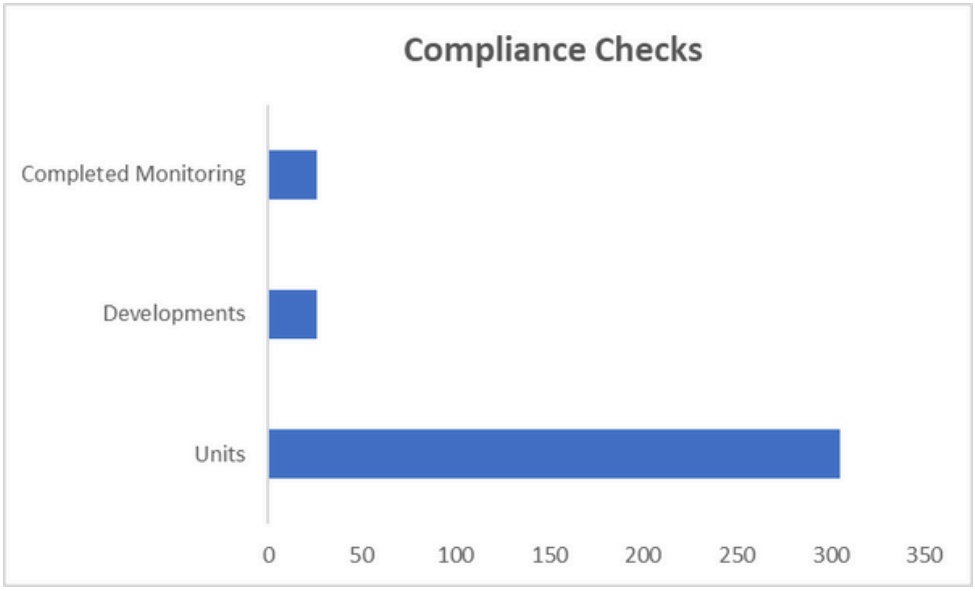
Another development requested a dedicated customer care liaison to advise on potential complaints following feedback, which has led to faster resolution times and more positive consumer feedback in this example.

On the success side, several developments have been highlighted for exemplary compliance. These include:

- Clear and consistent communication with buyers throughout the sales and aftercare process.
- Proactive use of ADRS, with some builders voluntarily referring disputes to the scheme.
- Transparent marketing and documentation, ensuring buyers fully understood their rights and obligations.

We are continuing to enhance our monitoring procedures through the development of a new digital portal for home builders. This platform will offer streamlined access to essential guidance, compliance tools, and support resources. It will allow builders to easily upload and track their monitoring submissions, receive tailored feedback, and access real-time updates on their compliance status. The portal will also feature interactive learning modules, examples of best practice, and direct links to relevant sections of the Consumer Code and ADRS guidance.

By centralising these functions, we aim to simplify the compliance process, promote transparency, and empower builders to uphold the highest standards from the outset of their engagement with the Code.



COMPLIANCE CHECKS

Our approach to compliance is multi-layered, combining several key measures to ensure robust oversight and continuous improvement. These include:

- Ongoing onsite surveys to monitor build quality and adherence to Consumer Code standards throughout the development life cycle.
- Documentation reviews, assessing compliance with required policies, procedures, and consumer-facing materials such as reservation agreements and marketing content.
- Sales and marketing evaluations, ensuring transparency and accuracy in how information is presented to buyers.
- Policy and procedure audits, verifying that internal processes align with the expectations set out in the Code.
- Consumer feedback analysis, drawing insights from surveys, complaints, and claims data to identify trends and areas for improvement.

This comprehensive approach allows us to maintain high standards, support member accountability, and ensure that consumers receive the protection set out in the Code.

As part of our commitment to continuous improvement and transparency, we also conduct monthly news searches and analysis of publicly available data to inform the evolution of Consumer Code policies and enhance our monitoring framework. These searches help us stay attuned to emerging trends, industry developments, consumer concerns, and regulatory changes that may impact the home building sector and the expectations placed on developers.

These insights directly influence our policy updates and monitoring priorities. For example, recent coverage of post-completion snagging delays led to enhancements on aftercare obligations and clearer expectations for resolution timelines. Similarly, data showing increased consumer reliance on digital communication prompted us to focus on how builders present key information online and ensure it aligns with the Code's transparency requirements.

HOME BUYERS SATISFACTION SURVEY RESULTS

305

Total Home Buyers Satisfaction Surveys Issued

96

Total Home Buyers Satisfaction Surveys Returned

31.5%

Response Rate

↑4.5%

Increase on previous results

HOME BUYERS SATISFACTION SURVEYS WERE ISSUED TO 305 COMPLETED UNITS. RESULTING IN 96 RESPONSES - A RESPONSE RATE OF 31.5%, THIS MARKS A 4.5% INCREASE COMPARED TO THE PREVIOUS REVIEW. THIS IMPROVEMENT REFLECTS A STRATEGIC SHIFT IN HOW SURVEYS ARE ISSUED AND PROMOTED.

Our revised approach involves engaging with home builders early in the development process to ensure they understand what aspects of the buyer experience will be monitored. Surveys are now introduced at multiple touch points: at the beginning of the build to raise awareness, at the end of the process directly to the home builder to issue to reinforce expectations, and directly to home buyers at various stages following completion. This multi-stage engagement has helped improve response rates and the quality of feedback, providing richer insights into buyer satisfaction and areas for improvement.

The percentage of scores returning 7+ remained steady at 83%, however, the most common score improved from 7 to 8, indicating a positive shift in overall satisfaction levels.
The most common issues raised ranged from:

- Delays in snagging resolution, with buyers reporting longer-than-expected wait times for post-completion fixes.
- Clarity of communication, particularly around handover dates and warranty coverage.
- Availability of customer support, with some buyers noting difficulty in reaching aftercare or receiving timely updates.

These insights continue to inform our monitoring priorities helping us to focus on areas where improvements will have the greatest impact on consumer satisfaction.

CODE BREACHES, NON-COMPLIANCE AND ENFORCEMENT

Purpose and Oversight

Ark's primary objective is to safeguard consumers by promoting compliance and accountability among Code Members. To achieve this, Ark has implemented a comprehensive framework of monitoring and enforcement measures designed to identify and address potential breaches before they escalate.

Key procedures include:

- Ongoing performance monitoring of Code Members
- Targeted investigations and information requests
- Assessment of Member suitability for continued participation

These proactive steps help ensure that Code Members uphold the standards expected under The Code and maintain their eligibility for membership.

Disciplinary Measures and Enforcement

When non-compliance is identified, Ark applies a range of disciplinary actions tailored to the severity and nature of the breach. These may include:

- Promoting consumer protection through corrective action
- Direct engagement with Code Members to reinforce obligations
- Restricting or removing access to Code Membership or Warranty Products
- Imposing conditions such as withholding insurance certificates
- Referring serious breaches to a disciplinary and sanctions panel

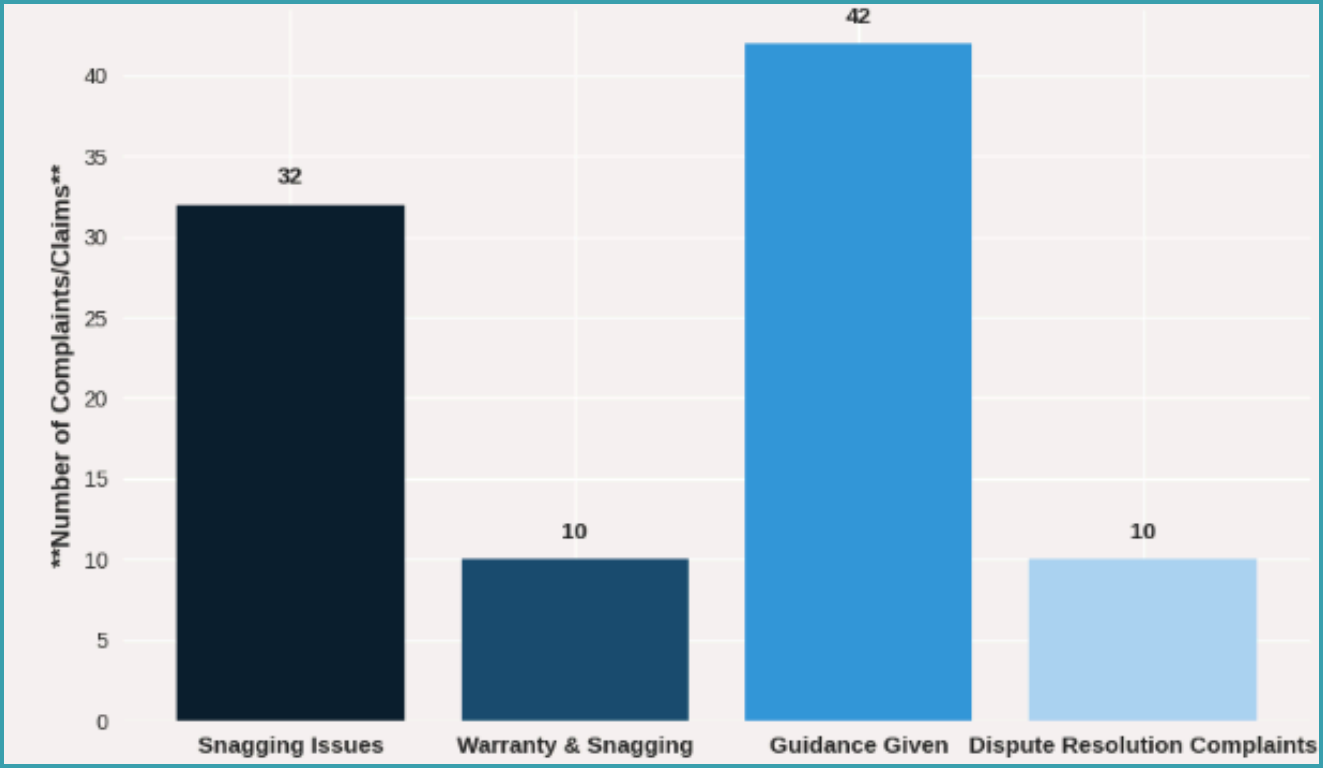
This structured approach ensures that consumers are protected from potential harm and that Code Members are held accountable for their conduct.

Continuous engagement with Code Members has been key to achieving high levels of compliance with monitoring activities and code expectations. In this period the following additional actions have been taken to uphold the standards expected:

- 8 Instances of direct engagement with Code Members to reinforce obligations
- 6 instances of withholding insurance certificates
- 4 instances of restricting or removing access to Code Membership Warranty products
- 3 instances of corrective action

Ark continues to enhance its oversight framework in response to emerging risks and valuable stakeholder input. Through a sustained focus on compliance and a commitment to continuous improvement, Ark contributes to raising standards across the new home sector and supports consumer confidence in the protections offered by The Code.

CLAIMS AND DISPUTE RESOLUTION - OUR APPROACH



- SNAGGING ISSUES: 32 CLAIMS WERE SPECIFICALLY TIED TO SNAGGING DEFECTS OR UNFINISHED WORK IN NEW HOMES.
- WARRANTY & SNAGGING COMBINED: 10 CLAIMS INVOLVED BOTH WARRANTY CONCERNS AND SNAGGING PROBLEMS.
- CONSUMER CODE GUIDANCE PROVIDED: OF 42 POTENTIAL COMPLAINTS 100% WERE PROVIDED WITH GUIDANCE ON THE CONSUMER CODE AND HOW TO MAKE AND ESCALATE A COMPLAINT.
- DISPUTE RESOLUTION COMPLAINTS: AS A RESULT 32 POTENTIAL COMPLAINTS WERE RESOLVED AND 10 COMPLAINTS WERE ESCALATED TO FORMAL DISPUTE RESOLUTION PROCEDURES.



IDENTIFYING CONSUMER CODE COMPLAINTS AT THE CLAIMS STAGE ENABLES TARGETED RESOLUTION, AND REINFORCES OUR COMMITMENT TO THE CODE'S INTEGRITY.

CLAIMS AND DISPUTE RESOLUTION - OUR APPROACH

As part of our commitment to transparency and consumer protection, our claims procedure includes a desktop review for early identification of potential complaints that may fall under the Ark New Home Buyers Consumer Code for Home Builders. This proactive step ensures that every claim is assessed not only for its immediate resolution needs but also for its alignment with the rights and protections afforded to consumers under the Code.

Why Desktop Review Matters:

- **Early Identification of Code-Relevant Issues: By reviewing claims against the Consumer Code criteria, we can flag concerns such as misleading marketing, poor customer service, or failure to provide key information—issues that may not be immediately obvious in the initial communication.**
- **Ensures Fair Treatment: This process helps ensure that consumers are treated fairly and consistently, especially in cases where they may not be aware of their rights under the Code.**
- **Supports Dispute Resolution Pathways: When a complaint is likely to fall under the Consumer Code, we can guide the claimant toward formal dispute resolution mechanisms, ensuring their concerns are addressed through the correct channels.**

Impact on Outcomes:

- **Higher Resolution Rates: Claims flagged through desktop review are more likely to be resolved satisfactorily, as they are matched with the appropriate resolution framework from the outset.**
- **Reduced Escalations: Early intervention reduces the likelihood of complaints escalating to legal or regulatory bodies, saving time and resources for all parties.**
- **Enhanced Trust and Accountability: This approach reinforces our reputation for fairness and diligence, demonstrating that we take consumer rights seriously and act in accordance with standards.**



DISPUTE RESOLUTION ISN'T JUST ABOUT SETTLING DISAGREEMENTS—IT'S ABOUT RESTORING TRUST, PROTECTING RIGHTS, AND FINDING FAIR OUTCOMES

COMPLAINTS AND DISPUTE RESOLUTION RESULTS

Volume and Nature of Complaints:

- **Total complaints received: 46**
- **Complaints identified as potential breaches of the Consumer Code: 10 (21% of total)**

Most common breach areas:

- **Inadequate after-sales service**
- **Poor complaint handling procedures**

Trends and Patterns:

- **Seasonal spikes: Notable rise in complaints coinciding with deteriorating weather**

Outcomes of Complaints

- **Escalated to formal investigation: 10 cases (21%)**
- **Resolved with remedial action or compensation: 32 (70%)**
- **Unresolved or withdrawn: 4 cases (9%)**

Dispute Resolution Referrals

- **Complaints referred to Alternative Dispute Resolution (CEDR): 10**

ADR outcomes:

- **4 resolved in favour of the consumer**
- **Total compensation awarded in favour of the consumer £9.140.00**
- **6 cases unresolved or outstanding**

Impact on the Code and Its Provisions

Policy changes triggered by complaint trends:

- **Strengthened requirements for post-completion support/complaints handling**
- **Reduction in consumer detriment, Faster resolution times through early identification**
- **More consistent application of code provisions across developers**

CHANGES TO THE CODE

As part of our commitment to continuous improvement and consumer protection, we have undertaken a structured review of the Consumer Code including all connected processes . This review was instigated in response to evolving market conditions, regulatory developments, and feedback from stakeholders including home buyers and developers.

PURPOSE OF THE REVIEW

The primary aim of the review is to ensure the Code remains:

- Relevant to current market practices
- Aligned with emerging consumer expectations and;
- Supportive of regulatory frameworks, including developments from the New Homes Quality Board (NHQB)

The review has led to proposed updates in several key areas:

- Stronger requirements for sales and marketing documentation and communication, ensuring buyers receive accurate, timely and clear information.
- Stricter complaints handling requirements have been introduced to ensure clear contact details and defined escalation pathways.
- New provisions for digital engagement, reflecting the shift toward online sales and customer service



To measure the effectiveness of these changes, we will:
Monitor compliance data through regular audits and site surveys
Analyse consumer feedback from satisfaction surveys, complaints, and ADRS outcomes
Conduct annual reviews of Code performance, with input from stakeholder.

This review marks a significant step in reinforcing the Consumer Code's value and impact, ensuring it continues to serve as a trusted framework for protecting home buyers and guiding industry best practice.

CONCLUSIONS

The activities and outcomes of this reporting year demonstrate the continued relevance and impact of the Ark New Home Buyers Consumer Code in promoting fairness, transparency, and accountability within the home building sector.

As the industry evolves, the Code has remained a vital framework for protecting home buyers and guiding developer conduct.

Through proactive engagement with stakeholders, robust monitoring of member practices, and the integration of responsive claims review procedures, we have strengthened our ability to identify potential complaints and breaches early. This has led to more timely resolutions, improved consumer outcomes, and a clearer understanding among developers of their obligations under the Code.

Feedback gathered from home buyer satisfaction surveys has played a central role in shaping the evolution of the Code. These insights have informed targeted updates to both the Code's provisions and its supporting processes, ensuring that it remains responsive to the changing expectations and needs of consumers.

The changes introduced this year reflect a commitment to continuous improvement, with a focus on clarity, accessibility, and consistency.
Looking ahead, our priorities will include strengthening the implementation of the Code, expanding awareness among both consumers and developers, and refining our operational processes to deliver consistent, fair outcomes. A key area of development will be digital engagement—leveraging technology to improve access to information and enhance transparency throughout the home buying journey.

The foundations laid this year provide a strong platform for future progress. As we continue to build on these achievements, we remain firmly committed to upholding the principles that underpin the Ark New Home Buyers Consumer Code: fairness, accountability, and the protection of consumer rights in the housing market.