

# Welcome to NHBC warranty and insurance

For homes registered from 1 April 2018



Raising Standards. Protecting Homeowners





# A guide to buying a new home with NHBC Buildmark warranty and insurance

**Whether you are a first-time buyer, a growing family or downsizing, buying a brand new home is an exciting time in your life. And, with your house builder working together with NHBC, you can be confident that your new home is benefiting from a wealth of building knowledge and experience.**

## Who is NHBC?

We were established in 1936, as the National House Builders Registration Council (NHBRC), to tackle the substandard building practices seen in the interwar years.

Renamed in 1973, the National House Building Council (NHBC) is now the UK's leading provider of warranty and insurance for new homes. We work closely with our registered house builders to help continually improve the construction standards of new build homes, benefiting homeowners and the house-building industry as a whole.

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

## What we do

With around 10,000 builders and developers on our register, NHBC currently provides warranty and insurance for over 1.5 million homes in the UK. Only builders registered with NHBC are able to offer Buildmark warranty and insurance.

Each home is inspected by one of our technical experts at key stages. So, even before you're handed the keys, we will have done our best to make sure your home has been built to a high standard and is ready for you to move into.

Est. 1936

80%

of all new homes built in the UK are covered by Buildmark.

0 shareholders

We invest in our purpose of raising standards.

# Your warranty and insurance with NHBC

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## What is Buildmark?

Buildmark is a joint agreement between your builder and NHBC to provide warranty and insurance on your newly built or converted home.

Protection is provided to you, the purchaser, from exchange of contract with deposit protection insurance. This is followed by a two-year post-completion builder warranty, supported by an NHBC dispute resolution service and guarantee. So, if you encounter any problems with your home during this time, contact your builder in the first instance and they should put things right. If you remain dissatisfied, you can contact NHBC for assistance.

- **The resolution service:** we contact the builder about the problems reported to us. If the builder does not deal with the matter to your satisfaction, we will investigate and decide what the builder must do to meet their responsibilities
- **The guarantee:** you are protected by the NHBC guarantee for what we or a court decides the builder should have done to meet their responsibilities. If the builder does not meet their responsibilities, we will do so on their behalf. Alternatively, we will pay you what it would cost us to have the work done.

After the initial two-year builder warranty period, NHBC provides an eight-year insurance policy (years three to 10) against damage to the home caused by the failure of your builder to build specific parts of the main structure to NHBC Technical Requirements. NHBC will pay the cost or carry out remedial works for issues covered by the policy if the cost exceeds the minimum claim value (MCV).

## What does Buildmark cover?

- **Before legal completion:** loss of your exchange deposit, or having to pay more to complete the build of your home, because the builder is insolvent or has committed fraud
- **Builder warranty period:** failure by the builder to meet NHBC Technical Requirements when building your home or preparing your land
- **Insurance after the builder warranty period:** physical damage to your home because the builder failed to build specific parts of your home to meet NHBC Technical Requirements
- **Extra insurance for Building Regulations:** imminent danger to someone's physical health or safety because the builder failed to meet specific Building Regulations when building the main structure of your home (**this is only available if NHBC undertook the Building Control service on the home**)
- **Insurance for contaminated land:** contamination on or in your land which could have resulted in a statutory notice being issued under the legislation or official guidance in force at that time.

## What's not covered by Buildmark?

Buildmark only protects you against the items outlined in your Buildmark policy document.

There are some things that are not NHBC's responsibility, such as, but not limited to:

- Wear and tear, neglect and failure to undertake appropriate maintenance
- Storms and other severe weather conditions
- Fire and smoke
- Damp, condensation and shrinkage which is not a result of the builder failing to meet NHBC Technical Requirements.

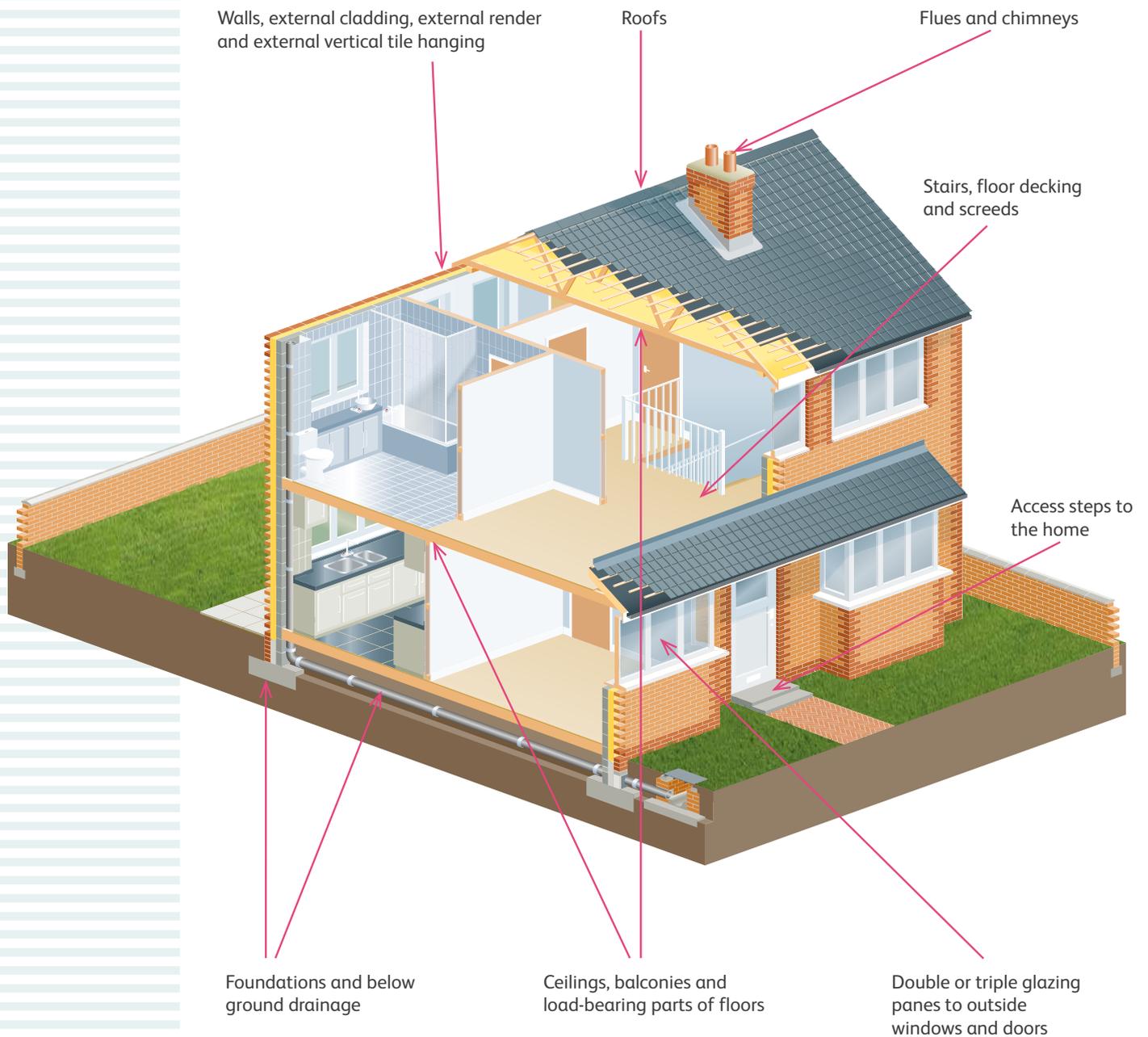
Full details and a glossary of terms can be found in the Buildmark policy booklet. If you are unsure about what is covered, you can contact NHBC to check, or go to **[www.nhbc.co.uk](http://www.nhbc.co.uk)**.

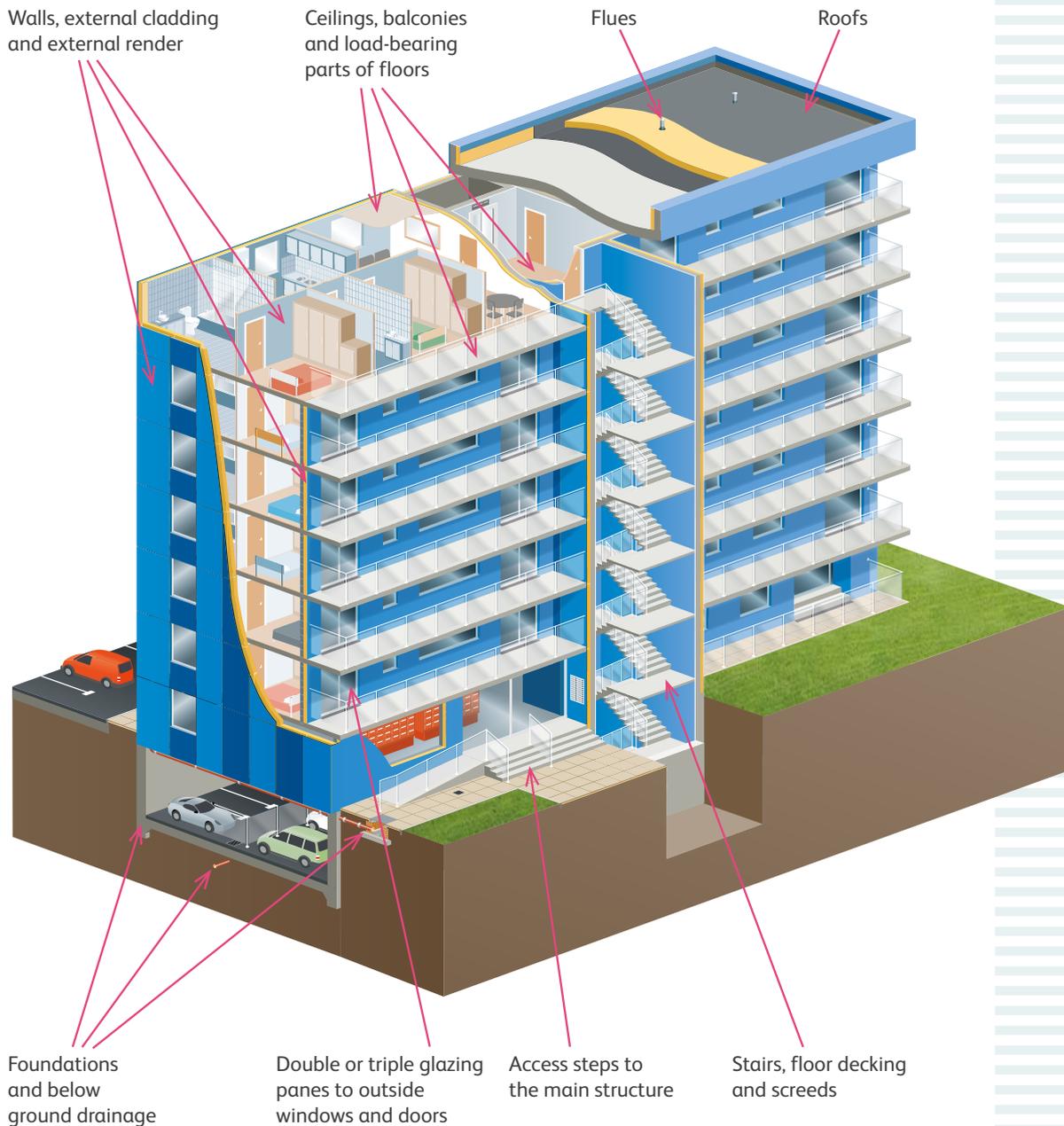


## An illustration of what's covered

During the insurance period after the initial builder warranty period has expired, Buildmark is designed to insure your home against damage caused where specific parts of the property have not been built to NHBC Technical Requirements. These diagrams show you the parts of the home that are typically covered.

If your home is in a continuous structure, protection provided by Buildmark may differ from responsibilities under your lease agreement for maintenance and repair.





**Whether your new home is a house or an apartment, there are some things which you should be aware of:**

- These images are for illustration purposes only
- The Buildmark policy does not take the place of buildings or contents insurance
- There are certain conditions, limits and exclusions that apply; different periods and conditions also apply to common parts
- Please read your policy document for full details about your cover.

## Are there financial limits?

Limits that apply to new build properties for claims under Buildmark are as follows:

- Pre-completion: the exchange deposit paid in part payment of your home, up to 10% of the original purchase price or £100,000, whichever is lower
- Post-completion: the original purchase price, up to a maximum of £1m.

Limits are different for conversions and continuous structures: see the policy booklet for more details.

## What is minimum claim value?

We do not require policyholders to pay the first part of any claim. Instead, we operate a minimum claim value (MCV).

If the cost of the work you are claiming for is below the MCV, we will not do the work or pay anything towards the cost. If it exceeds the MCV, we will complete the work or pay the cost in full and you will not have to make a contribution.

The MCV applies to claims made to NHBC after the builder warranty has expired. This applies in years three to 10 but please refer to the policy booklet for more details. The amount then increases by £50 each consecutive year thereafter.

See the Buildmark policy booklet for full details of the MCVs at [www.nhbc.co.uk](http://www.nhbc.co.uk).

## Helping you before, during and after your move

Your conveyancer will give you your Buildmark policy documents, including your Buildmark certificate, when you buy your new home; you should read it to check for specific details about the cover, conditions and exclusions.

NHBC has a wealth of information to support you before, during and after your move. Our website ([www.nhbc.co.uk](http://www.nhbc.co.uk)) is a great starting point for helpful information and guidance.

## NHBC Home User Guide

Your new home comes with a free NHBC Home User Guide (HUG), a secure online portal that holds all the information you need about your Buildmark warranty and insurance policy.

HUG also provides lots of useful guidance about living in your new home, and enables you to add user manuals for your appliances, as well as setting up important reminders, such as dates for servicing your boiler or when insurances are due for renewal. All you need is your Buildmark policy number and activation code (which you can get from your builder) to register.

Simply go to [www.nhbc.co.uk/homeowners/hug](http://www.nhbc.co.uk/homeowners/hug).

## What our customers say

### **Mrs. Sarah Perkins**

#### **Homeowner, Derby**

A mother of two young children, Sarah Perkins had lived in her three-storey townhouse for over eight years when issues with her staircase started to occur. "The staircase became so noisy that it was unbearable," she says. "A gap had started to appear between the stairs and landing, and my young son was posting cards and toys through the space. It turned out the staircase was not correctly supported." Sarah contacted NHBC to investigate, and an approved contractor was appointed to carry out the necessary repairs. Sarah told us that: "Communication was great and we were kept in the loop at all times, which gave us great confidence. The work was of a high standard, and NHBC even came back afterwards to check we were satisfied."



### **Mr. and Mrs. Munro**

#### **Homeowners, Matlock**

Mr. and Mrs. Munro had a number of problems with their new home, the most concerning of which was a persistent drain blockage. "We got NHBC involved as we knew we needed advice and didn't know what to do next. We felt looked after at every turn. We were so panicked, but got great help and support from the NHBC investigators, the office staff and the amazing contractors. NHBC helped us to organise and stay in dog-friendly temporary accommodation with internet access, which was essential for work, and made sure disruption was kept to a minimum. We cannot recommend NHBC highly enough and tell people that, if they buy a new home, they must not be without NHBC Buildmark."

Visit [www.nhbc.co.uk](http://www.nhbc.co.uk)  
or call **0800 035 6422**

# Consumer Code

## A fair process for buying your new home

The Consumer Code for Home Builders (“the Code”) was developed by the house-building industry to make the home buying process fairer and more transparent for purchasers. The Code gives protection and rights to purchasers of new Homes and requires all new Home Buyers are treated fairly and are fully informed about their purchase before and after they sign the contract.

More details about the Code can be found on the Consumer Code website: [www.consumercode.co.uk](http://www.consumercode.co.uk).

- The aim of the Code is for all new Home Buyers to:
  - be treated fairly,
  - know what levels of service to expect,
  - to be given reliable information about their purchase and their consumer rights before and after they move in, and
  - know how to access speedy, low-cost dispute resolution arrangements to deal with complaints about breaches of the Code
- The Code applies to all Home Buyers who have signed a Reservation agreement for a new or newly converted Home on or after the 1 April 2010 and that has been built by a Home Builder registered with one of the Home Warranty Bodies.
- The Consumer Code Scheme covers complaints made in writing to the Home Builder by Home Buyers who have signed a Reservation agreement and believe the Home Builder has failed to meet the Code’s Requirements. The Code Scheme applies to complaints made up to two years from the date on the Home Warranty Body’s insurance certificate, which defines the start of the period of cover, about defects or damage caused by a breach of its technical requirements.
- The Code does not apply to:
  - second-hand properties (for example, homes taken by Home Builders in part exchange and re-sold);
  - properties acquired by registered social landlords;
  - properties acquired by corporate bodies, partnerships and individuals buying more than one property on the same development for investment purposes;
  - properties built by self builders for their own occupation;
  - properties built under architects’ certificates.
- The Code and the associated Dispute Resolution Scheme do not apply to:
  - personal injury claims;
  - loss of property value or blight;
  - claims relating to the land conveyed and its registered title;
  - claims where the amount of redress claimed exceeds the limits of the Dispute Resolution Scheme.

## 1 Adopting the Code

### 1.1 Adopting the Code

Home Builders must comply with the Requirements of the Consumer Code and have regard to good practice guidance.

### 1.2 Making the Code available

The Consumer Code for Home Builders’ Scheme logo must be prominently displayed in Home Builders’ sales offices, those of appointed selling agents, and in sales brochures. All Home Buyers who reserve a Home should be provided with a copy of the Code Scheme with the Reservation agreement.

### 1.3 Customer service: before legal completion

The Home Builder must have suitable systems and procedures to ensure it can reliably and accurately meet the commitments on service, procedures and information in the Code.

### 1.4 Appropriately trained customer service staff

The Home Builder must provide suitable training to all staff who deal with Home Buyers about their responsibilities to them and what the Code means for the company and its directors.

### 1.5 Sales and advertising

Sales and advertising material and activity must be clear and truthful.

## 2 Information – pre-contract

### 2.1 Pre-purchase information

Home Buyers must be given enough pre-purchase information to help them make suitably informed purchasing decisions.

In all cases this information must include:

- A written Reservation agreement;
- An explanation of the Home Warranty cover;
- A description of any management services and organisations to which the Home Buyer will be committed and an estimate of their cost;
- The nature and method of assessment of any event fees such as transfer fees or similar liabilities.

Also, if a Home is not yet completed, the information must include:

- A brochure or plan illustrating the general layout, appearance and plot position of the Home;
- A list of the Home’s contents;
- The standards to which the Home is being built.

## 2.2 Contact information

Home Buyers must be told how their questions will be dealt with and who to contact during the sale, purchase and completion of the Home.

## 2.3 Warranty cover

Home Buyers must be given accurate and reliable information about the insurance-backed warranty provided on the Home.

## 2.4 Health and safety for visitors to developments under construction

Home Buyers must be informed about the health-and-safety precautions they should take when visiting a development under construction.

## 2.5 Pre-contract information

Home Builders must advise Home Buyers to appoint a professional legal adviser to carry out the legal formalities of buying the Home and to represent their interests.

## 2.6 Reservation

Home Buyers must be given a Reservation agreement that sets out clearly the Reservation's terms, including, but not limited to:

- the amount of the Reservation fee;
- what is being sold
- the purchase price
- how and when the Reservation agreement will end;
- how long the price remains valid;
- the nature and estimated cost of any management services the Home Buyer must pay for;
- The nature and method of assessment of any event fees such as transfer fees or similar liabilities.

The Reservation fee must be reimbursed if the Reservation agreement is cancelled. The Home Buyer must be told of any deductions that may be made.

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.

## 3 Information – exchange of contracts

### 3.1 The contract

Contract-of-sale terms and conditions must:

- Be clear and fair;
- Comply with all relevant legislation;
- Clearly state the contract termination rights.

### 3.2 Timing of construction, completion and handover

The Home Buyer must be given reliable and realistic information about when construction of the home may be finished, the date of Legal Completion, and the date for handover of the home.

## 3.3 Contract termination rights

The Home Buyer must be told about their right to terminate the contract.

## 3.4 Contract deposits and pre-payments

The Home Builder must clearly explain how Home Buyers' contract deposits are protected and how any other pre-payments are dealt with.

## 4 information – during occupation

### 4.1 After-sales service

The Home Builder must provide the Home Buyer with an accessible after-sale service, and explain what the service includes, who to contact, and what guarantees and warranties apply to the Home.

### 4.2 Health and safety for Home Buyers on developments under construction

Home Buyers must be told about the health-and-safety precautions they should take when living on a development where building work continues.

## 5 Complaints and disputes

### 5.1 Complaints handling

The Home Builder must have a system and procedures for receiving, handling and resolving Home Buyers' service calls and complaints.

The Home Builder must let the Home Buyer know of this, and of the dispute resolution arrangements operated as part of this Code, in writing.

### 5.2 Co-operation with professional advisers

The Home Builder must co-operate with appropriately qualified professional advisers appointed by the Home Buyer to resolve disputes.

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Further information, including the Code documents, can be obtained from the Consumer Code website:

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

**CONSUMER  
CODE FOR  
HOME BUILDERS**

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

Visit [www.nhbc.co.uk](http://www.nhbc.co.uk)  
or call **0800 035 6422**



# Who to contact and when

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## Before you move in

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In the first instance, contact your builder for assistance.  
If you want to talk to NHBC, contact our Customer Services team:

Call 0800 035 6422 or 0344 633 1000  
(Monday to Friday 8:30 to 17:30)

Visit: [www.nhbc.co.uk](http://www.nhbc.co.uk)  
Email: [cssupport@nhbc.co.uk](mailto:cssupport@nhbc.co.uk)

## First two years

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The builder's contact details will be on your Buildmark certificate.  
If you can't find these details, or if you need to use our resolution service,  
please contact our Claims team:

Call 0800 035 6422 or 0344 633 1000  
Email: [claims@nhbc.co.uk](mailto:claims@nhbc.co.uk)

## Next eight years

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Contact our Claims team: 0800 035 6422 or 0344 633 1000  
(Monday to Friday 8:30 to 17:30)

Visit: [www.nhbc.co.uk](http://www.nhbc.co.uk)  
Email: [claims@nhbc.co.uk](mailto:claims@nhbc.co.uk)

## General enquiries

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Email for general enquiries: [cssupport@nhbc.co.uk](mailto:cssupport@nhbc.co.uk)

Email for complaints about NHBC: [consumeraffairs@nhbc.co.uk](mailto:consumeraffairs@nhbc.co.uk)

Write to:  
NHBC, NHBC House,  
Davy Avenue, Knowlhill,  
Milton Keynes,  
Bucks, MK5 8FP



Visit [www.nhbc.co.uk](http://www.nhbc.co.uk)  
or call 0800 035 6422

Visit **www.nhbc.co.uk**  
or call **0800 035 6422**  
or **0344 633 1000**  
(Monday to Friday 8:30 to 17:30)

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or business landline.)

NHBC, NHBC House, Davy Avenue, Knowlhill,  
Milton Keynes, Bucks, MK5 8FP

Tel: 0344 633 1000 Fax: 01908 747255  
[www.nhbc.co.uk](http://www.nhbc.co.uk)

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