

# The Chartered Institute of Building

submission to the

Ministry of Housing,  
Communities & Local  
Government (MHCLG)

on the consultation on

Strengthening consumer redress  
in housing

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## Ministry of Housing, Communities & Local Government (MHCLG): Consultation on strengthening consumer redress in housing

### Introduction

The Chartered Institute of Building (CIOB) is at the heart of a management career in construction. We are the world's largest and most influential professional body for construction management and leadership. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, which we have been doing since 1834.

Our members work worldwide in the development, conservation and improvement of the built environment. We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and authorities who procure built assets.

We welcome the opportunity to respond to this consultation and are happy to be involved in the debate as it develops.

### General Comments

House building is affected by some significant factors that distinguish it from other sectors of the construction industry. To name three of the more noticeable variances:

- Housing operates in a different regulatory environment, both in terms of building regulations and the planning system;
- The high-demand nature for housing in some areas of the country means land prices have a larger impact on costs than that of many other types of construction;
- Housebuilders who sell to the private market function as business-to-customer operations, rather than the business-to-business operation practiced in the rest of the industry. This disaggregated client base typically means that consumers may not be as concerned or knowledgeable about build quality or efficiency of performance as a business client might be, instead prioritising location and/or other factors.

### Full Response

#### About You

**Q1: Are you responding (please tick one)**

- As a private individual?
- On behalf of an organisation?

**Q2: If you are an individual, in which capacity are you completing these questions? (please tick one)**

N/A

**Q3: If you are an organisation, which of the following best describes you?**

- A housing association/private registered provider
- A Local Authority registered provider
- A Local Authority that is not a provider
- An Ombudsman or redress scheme
- A developer
- A private rented sector landlord
- A private leasehold landlord organisation
- A managing agent
- A letting agent
- An estate agent
- A sector representative body
- A charity dealing with housing issues
- A government body
- A private business
- Other (please specify)

**Q4: Have you ever made a complaint relating to the renting, selling or purchasing of your property, or relating to the management or maintenance of a property in which you are a renter or leaseholder?**

We carried out a snap poll of our membership (206 responses) to find out whether our membership had experience making a complaint relating to the renting, selling or purchasing of a property, or relating to the management or maintenance of a property in which they are the renter or leaseholder. The distribution of responses can be seen below.

Answer Choices	Responses	
Yes	38.35%	79
No, but I know how to make a complaint	35.44%	73
No, and I do not know how to make a complaint	26.21%	54
	<b>Answered</b>	<b>206</b>

**Q5: If you have complained about the renting, management, selling or purchasing of your property, who did you complain to? (Tick all that apply)**

N/A

**Q6: Have you used any of the following housing redress schemes (as a consumer or organisation) in the past five years? (tick the one that you used most recently) If not move to question 9**

**Q7: If you answered Q6, how would you rate the service that you received out of 10? (With 1 being very poor and 10 being exceptional) Please give details – for example how helpful was the organisation at resolving the problem.**

We received 38 responses to question 6, the majority of whom stated 'other' citing the NHBC as the primary redress scheme that they used. We would be happy to circulate the answers to question 6 and 7 if useful but most of the comments relate to the quality of service by warranty providers as opposed to those listed.

**Q8: What do you consider to be the main problem with redress in the housing market, if any (tick up to three):**

Of the 153 responses we received, the main problem with redress in the housing market appears to be that *it takes too long to get a complaint resolved* (54%), respondents also stated *it is not clear how to raise a complaint* (31%) and *when decisions are made they are not enforced* (29%). Respondents also suggest that current property warranty schemes are not fit for purpose and Ombudsman services cannot take action until other means have been exhausted, e.g. trying to rectify issues with the housebuilder or warranty provider.

Answer Choices	Responses	
There is no problem	9.80%	15
It is not clear how to raise a complaint	31.37%	48
It takes too long to get a complaint resolved	53.59%	82
It is expensive	14.38%	22
Complaints are not handled fairly	24.18%	37
When decisions are made they are not enforced	29.41%	45
Worried about the consequences of complaining	20.92%	32
Other (please specify)	15.03%	23
	<b>Answered</b>	<b>153</b>
	<b>Skipped</b>	<b>53</b>

**Q9: Which solutions below do you think would best improve redress in the housing sector (please pick up to three)**

Of the 146 that responded to this question, the primary suggestions were a *code of practice for all housing providers* (62%), *better awareness from consumers of how to raise complaints* (51%) and *better enforcement of redress scheme decisions* (45%). When asked to expand, it was highlighted that a clear defined legal route that has greater gravitas would help drive improvements in quality of care and build.

Answer Choices	Responses	
Better awareness from consumers of how to raise complaints	51.37%	75
Improvements to the working of existing redress schemes e.g. more timely complaint handling	21.92%	32
Better enforcement of redress scheme decisions	44.52%	65
Schemes all operating to the same criteria/standards	36.99%	54
A code of practice for all housing providers (e.g. landlords, agents, housing associations, developers) on complaints handling	62.33%	91
Streamlined redress provision in housing	19.18%	28
Other (please specify)		10
	<b>Answered</b>	<b>146</b>
	<b>Skipped</b>	<b>60</b>

**Q10: Could more be done to improve in house complaint handling for housing consumers?**

51% of respondents suggested that more could be done to improve in house complaint handling for housing consumers. A number of responses noted they were unsure whether this was in relation to purely Ombudsmen services or whether it is in reference to warranty providers and housebuilders themselves.

Answer Choices	Responses	
Yes (please give details below)	51.02%	75
No	4.76%	7
Not sure	44.22%	65
Other (please specify)		59
	<b>Answered</b>	<b>147</b>
	<b>Skipped</b>	<b>59</b>

We believe that there needs to be clearer routes for redress. Consumers face a confusing landscape caused by a plethora of warranties, housebuilding codes and complaints procedures, each offering something slightly different. We detail some of the issues in our response to the APPG for Excellence in the Built Environment inquiry into a New Homes Ombudsman accessible at: <https://policy.ciob.org/wp-content/uploads/2018/01/CIOB-response-to-APPG-EBE-inquiry-into-a-New-Homes-Ombudsman.pdf>.

A single portal for ombudsman services spanning the entire residential sector, covering the conduct of estate agents, through to social housing, would help reduce confusion in the market place offering a single place for dispute resolution services. Any enquiries or complaints would then be referred to the relevant department or ombudsman. However, we note that a number of disputes would be of a more technical nature and suggest that new homes disputes (at least in the short term) would need their own separate and bespoke operation.

**Q11: Are there common practices that housing consumers and businesses should be able to expect from a redress scheme, or do different sectors in housing require different practices?**

- Yes - there should be common practices for consumers
- No – different sectors require different practices
- Not sure

**Q12: If you believe there should be common practices that consumers should be able to expect from a housing redress scheme, what should they include? (pick as many as relevant)**

- Rules relating to the types of issues consumers can complain about
- Rules relating to the timeframe in which consumers can complain to a provider
- Policies to support awareness raising
- Timeliness of complaint handling
- Cost to consumers
- Compensation levels
- Codes of practice specific to the sector
- Cost to members/ payment structures
- Transparency of decisions
- All apply

Other [please explain]

**Q13: Do you think that a redress scheme should publish decisions and the number of complaints relating to different providers? Please explain why.**

- Yes  
 No  
 Not sure

Yes, we believe that cases of redress should be publically available. This would enable greater visibility of the best and worst offenders as well as build a greater understanding of the satisfaction rates of property owners and renters. This should lead to improvements in quality in the housing market as organisations seek to avoid the costs associated with going through an ombudsman service.

Public reporting of complaints statistics has clear benefit to not only complainants but to promoting continuous improvement in the sector. For instance the Parliamentary and Health Service Ombudsman publishes reports on the number of referrals to Ombudsman from hospitals, percentages of referrals to the ombudsman upheld and analysis of core themes of complaints.<sup>1</sup> This has helped improve transparency in our health service and enabled trusts to learn and improve the care they provided, particularly in handling their complaints.

**Q14: What is a reasonable time frame for a redress scheme to deal with a complaint?**

- Less than 2 weeks  
 More than 2 weeks but less than a month  
 More than a month but less than six weeks  
 More than six weeks but less than two months  
 More than two months but less than three months  
 3-6 months  
 7-12 months  
 More than 12 months  
 It depends on the complexity of the case

As noted in the consultation, *‘everyone wants complaints resolved quickly, but we know that in practice, there can be variation in the time taken to reach a decision’*. We therefore believe it is hard to comment on what constitutes a reasonable time frame and it must be judged on the complexity of the case. Consumers must have confidence that their disputes are being dealt with speedily, particularly as it is likely that the consumer would have already gone through a housebuilder or warranty provider, adding to the time period. We believe that each Ombudsman or department should be obliged to settle disputes within certain time limits. Regular performance reviews must also take place to ensure consumers are getting the best service from these redress schemes and see where further improvements and lessons learnt from prior complaints can be utilised.

**Q15: How should a redress scheme support consumers to access its scheme?**

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<sup>1</sup> Parliamentary and Health Service Ombudsman, [Complaints about acute trusts 2014-15](#), September 2015

As noted in previous answers, providing a one stop portal and simply to follow advice and guidance will help support consumers to access its scheme.

**Q16: What kind of sanctions should a redress scheme have access to? (tick all that apply)**

- Financial award up to £25,000
- Financial award greater than £25,000
- Expulsion from scheme
- Power to make decisions binding
- Referral to enforcement agent/ regulators
- A range of options depending on the type and size of provider
- Other [please list]

**Q17: Have you encountered any gaps between different issues, ombudsmen and redress schemes in terms of their areas of responsibility?**

N/A

**Q18: Should purchasers of new build homes have access to an ombudsman scheme?**

125 respondents (84%) agreed that purchasers of new build homes should have access to an ombudsman scheme. Clearly there is a significant gap in current redress systems and the formation of a New Homes Ombudsman would further strengthen the opportunity to fix the housing market. We believe that there is a desire from housebuilders and warranty providers to 'do better' but acknowledge that the public has lost faith in the sector and remain sceptical about current resolution methods. As the world's largest and most influential professional body for construction management and leadership we act in the public interest and advocate further opportunities to support consumers.

Answer Choices	Responses	
Yes	84.46%	125
No	8.11%	12
Not sure	7.43%	11
	<b>Answered</b>	<b>148</b>
	<b>Skipped</b>	<b>58</b>

**If you have answered no, please go to Question 21.**

**Q19: Is there an existing ombudsman scheme that is best placed to deliver this? If so which?**

N/A

**Q20: Should this body be statutory?**

N/A

**Q21: Aside from the issues discussed in section three of this document, are there other things we should be considering to ensure that complaints are dealt with swiftly and effectively by homebuilders?**

N/A

**Q22: Should the requirement for private landlords to belong to a redress scheme apply to all private landlords?**

Respondents to our poll indicated a strong favour (76%) for all private landlords to belong to a redress scheme.

Answer Choices	Responses	
Yes	76.35%	113
No	10.14%	15
Not Sure	13.51%	20
	<b>Answered</b>	<b>148</b>
	<b>Skipped</b>	<b>58</b>

**Q23: Who is best placed to provide a redress scheme for private landlords?**

- The existing redress schemes in the private rented sector
- The tenancy deposit schemes
- A new ombudsman, such as a single housing ombudsman
- Other [please explain]

**Q24: How should redress scheme membership for private landlords be costed?**

- A flat rate (and how much do you think it should cost?)
- A tiered system according to the number of properties a landlord lets?
- A pay per complaint system
- Don't know/This question isn't relevant to me

**Q25: How should the requirement to be a member of a redress scheme be enforced and by whom? And are there any other markets we can learn from in order to ensure compliance by a large number of small scale providers?**

N/A

**Q26: What should the penalty for initial non-compliance be? If a financial penalty, what would be an appropriate level of fine? (tick as many as appropriate)**

- Financial penalty [please give details on suggested level of fine in the box below]
- Criminal offence
- Banning order
- Loss of right to evict tenants under Section 21
- Civil sanction such as improvement notices or enforcement notices
- Other [Please explain]



Don't know/This question isn't relevant to me

**Q27: How can Government best ensure that landlords are aware of their requirement to belong to a redress scheme?**

N/A

**Q28: Are there any other voluntary or medium term measures that could be implemented to improve redress for tenants in the private rented sector ahead of any legislative changes?**

N/A

**Q29: Do you think that freeholders of leasehold properties should all be required to sign up to a redress scheme?**

- Yes
- No
- Not sure

**Q30: Should we streamline redress provision in housing, and if so, what would be the most effective model? Please explain below what you see as the benefits and challenges of the options.**

Respondents of our poll were split between the creation of *one single ombudsman scheme covering housing issues* (30%) and *one ombudsman for each sector of the housing market* (34%). Upon examination of further comments there appears to be a clear desire for one main 'portal' but with specialism in each sector of the market, to direct complaints to people with sufficient knowledge of that sector. With this in mind we would be favour of a mixture of **responses 1 and 4**. This would essentially be an umbrella ombudsman scheme to ensure consistency on decisions, standards, responsibility and reporting lines.

Answer Choices	Responses	
Yes - One single ombudsman scheme covering housing issues	30.34%	44
Yes - One ombudsman portal for housing related complaints	10.34%	15
Yes - One ombudsman for private housing and another for social housing	11.03%	16
Yes - One ombudsman for each sector of the housing market (e.g. one for home buying, one for new build homes, one for private rented sector, one for the social sector, one for leaseholders)	34.48%	50
No	3.45%	5
Other (please specify)	10.34%	15
	<b>Answered</b>	<b>145</b>
	<b>Skipped</b>	<b>61</b>

**Q31: If you ticked 'Yes' to one ombudsman or one portal above then which areas of redress should be incorporated? [Please tick any areas you believe should be included and explain any reasons for inclusion or exclusion]**

- Social housing tenants
- Private rented sector tenants
- Leaseholders with a private sector freeholder
- Leaseholders with a social housing provider as freeholder
- Purchasers who have bought a new build home
- Purchasers and sellers of existing homes
- Park home owners
- Persons approaching their Local Authority for homelessness advice
- Persons applying to a local authority for social housing
- Persons applying for a tenancy with a housing association
- Other [Please Identify]

<b>Conclusion</b>
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If you would like us to send you across the full results of our poll, or would like any further information, please contact David Barnes, Public Affairs Manager on [dbarnes@ciob.org.uk](mailto:dbarnes@ciob.org.uk) or on (0)1344 630 881.