



Scheme Rules for registered developers

New Homes Quality Code Version 2 - March 2026

Table of contents

Meaning of words	3
Introduction	6
Further information	7
Rules	8
1 Complying with the Rules	8
2 Handling of complaints about matters covered by the NHQB	10
3 New Homes Ombudsman Service	11
4 Disciplinary action by NHQB	12
5 Appealing against a decision to cancel registration	14
6 Service of notices	16
7 Compliance information	17
8 Contractual matters	18
Appendices	19
Appendix A - New Homes Ombudsman Scheme Rules	19
Appendix B - Form of notice under Rule 5.2 against deregistration	20
Appendix C - NHQB disciplinary procedure	21

Meaning of words

In these Rules, the following words have the following meanings:

After-sales service - the service provided by the developer to resolve any emergency issues, snags, defects, or complaints during the first two years following legal completion.

Agent/s - a person, firm or company used by a developer to deal with any matter on their behalf (for example, an estate agent or subcontractor).

Appeal Committee - is defined in Rule 5.5.

Building Safety Regulator - a statutory body/individual appointed by the Government in accordance with the provisions laid out in the Building Safety Act 2022.

Chair - the Chair of the New Homes Quality Board.

Code - the New Homes Quality Code, including the Statement of Fundamental Principles and Practical Steps, setting requirements that govern the marketing, sale, and after-sales service for two years after legal completion of a new home, which must be adopted by developers.

Code Council - an independent committee that runs and manages the Code, reports to NHQB on how effective the Code is, and recommends any changes for it to remain fit for purpose.

Code sponsor - the New Homes Quality Board (www.nhqb.org.uk), which operates the Code and undertakes enforcement as necessary in relation to breaches of the Code.

Complaint/s - any expression of dissatisfaction, whether oral or written, and whether justified or not, from or on behalf of a customer about the developer's provision of or failure to provide a service or product, or to comply with the Code. See also snags/snagging.

Compliance audit - annual audit undertaken by NHQB to ensure that registered developers are operating within the requirements of the Code. The audit comprises a self-assessment questionnaire and an on-site visit to sales developments.

Compliance information - data and information (including names and addresses of customers to whom the Code applies) concerning the operation of and compliance with the Code by registered developers.

Customer - a person enquiring about buying a new home and/or who goes on to reserve or buy a new home from a developer. The customer's rights will be held jointly for new homes reserved or bought jointly by two or more people.

Defect - incomplete work, or faults in completed work, which do not meet the expected quality or finish set out in the contract of sale, including the new home warranty provider's standards or the manufacturer's standards for that part of the building or new home.

Developer - a person or firm:

a) who undertakes or commissions:

- i. the construction of a new building that consists of or contains a new home.
- ii. the conversion of an existing building to consist of or contain a new home.
- iii. the conversion of an existing building to alter the number of new homes contained in it, with a view to granting, or disposing of, a relevant interest in land that includes the new home or, in the case of a conversion within sub-paragraph (a), any of the new homes.

b) who meets the criteria specified in regulations made by the Secretary of State.

c) who registered the original building plot with the new home warranty provider.

Dispute - a disagreement regarding a complaint made by the customer to the developer where the parties do not agree on the outcome in respect of matters covered by this Code after the customer has followed the developer's published complaints procedure.

Legal completion - the transfer of ownership of the new home from the registered developer to the customer. In Scotland, this stage is known as settlement.

New home/s - the newly built, or newly converted property (including its gardens, boundary, fencing, communal areas, and curtilage) sold by the developer as stipulated in the relevant contract of sale and purchased by the customer for their own occupation.

New Homes Ombudsman Service (NHOS) - the New Homes Ombudsman Service that will investigate and resolve, determine or make recommendations concerning disputes and complaints between a customer and a developer where the customer believes the developer has failed to meet the requirements of the Code.

New Homes Quality Board (NHQB) - the independent organisation that publishes the Code and appoints the NHOS www.nhos.org.uk.

New home warranty provider - an organisation that provides an insurance-backed warranty or insurance policy that provides cover to protect the customer if there are any major defects in the new home.

Registered developer(s) - a developer registered with the Code sponsor. Developers who have applied to NHQB are shown on the Register of Developers as pending until they have activated their compliance, at which time they will be shown as a registered developer.

Reservation Agreement - an agreement between a customer and a developer under which they make a written statement of intent (subject to contract of sale and whether a fee is paid), giving the customer an exclusive period of time to enter a contract of sale to buy a new home. *Reservation, reserved, and reserve carry the corresponding meanings.*

Requirements - obligations placed on developers by the Code.

Register - a register maintained by the New Homes Quality Board that records developers who, subject to the New Homes Quality Board's rules of registration, have been accepted and are subject to the New Homes Ombudsman Service.

'Registered,' 'registration,' and 'registration scheme' carry the corresponding meaning.

Rules - these Rules as set out in this document.

Scheme - this refers to the framework put in place by NHQB, including the New Homes Quality Code and the New Homes Ombudsman Service.

Snags/snagging - a minor imperfection or fault in the new home that does not meet the expected quality or finish as set out in the contract of sale. A snag is usually something which is damaged, broken, not appropriately fitted or looks unfinished. Snags may be identified during a pre-completion inspection or after completion (see also 'defect').

These Rules are interpreted as follows unless the context requires otherwise:

- headings and sub-headings are for ease of reference only and should not be considered when interpreting these Rules.
- references to individual Rules are references to the numbered Rules (1 to 8) in this document.
- references to individual appendices are references to the appendices (A, B and C) in this document.
- words in the singular include the plural and vice versa.
- references to any law, order, regulation, or similar text will be understood as a reference to that text as later amended or re-enacted.

Introduction

The New Homes Quality Code sets mandatory requirements that registered developers must adopt and comply with in their marketing and selling of new homes and after-sales customer service for at least two years after purchase.

When selling a new home, developers should provide customers with fair and complete information about their home purchase. They must avoid sharing misleading information and using high-pressure sales tactics.

All registered developers are expected to build homes that comply with building safety and other regulatory requirements.

All registered developers should aim to hand over homes that are free from snags or defects, and, where they do occur, they should be resolved within the agreed timescales, regardless of who has identified the issue.

Obligations regarding a new home do not end at the point of sale and occupation. Developers are required to provide continuing after-sales service and a complaints resolution process for at least two years, in accordance with the Code requirements and expectations.

The Code requires that the complaints process and escalation to the New Homes Ombudsman Service are available to the customer for two years from the date of reservation or legal completion, whichever is later.

Customers who have a dispute and have exhausted the registered developer's complaints procedure may refer their complaint to the New Homes Ombudsman Service. If the Ombudsman upholds the complaint, they may require the registered developer to make a payment to the customer or take other actions set out in these Rules. The registered developer may also face disciplinary sanctions.

Developers who have applied to the NHQB are shown as pending on the Register of Developers. Applied developers are expected to 'activate' to confirm compliance with the Code within six months of their application to join. Once they have activated, they will be shown as a registered developer from the date of activation, thus providing access to the Ombudsman for their customers.

After three months since activation, registered developers may be asked to complete a self-assessment audit. The developer is given 30 days to return the audit, and if any issues arise, the developer is required to deal with those issues within 30 days.

Further information

You can get more information, including copies of the New Homes Quality Code documents and advice on frequently asked questions, from the New Homes Quality Board website: www.nhqb.org.uk.

You can contact the New Homes Quality Board by emailing: info@nhqb.org.uk.

The Rules

1 Complying with the Rules

- 1.1 This edition of the Rules applies to each registered developer from the date of issue on page 1 of these rules or the date of their registration activation, whichever is the latter.
- 1.2 Registered developers must:
 - 1.2.1 comply with the registration process set out by the New Homes Quality Board. This includes:
 - providing all information requested in a timely manner;
 - paying any fees requested by (or before) the date they fall due;
 - 1.2.2 commit to building good quality homes that meet the requirements of building regulations, warranty technical standards, and any other relevant legal requirements;
 - 1.2.3 comply with the New Homes Quality Code and in particular, ensure that the contractual party as developer and seller (if different from the developer, for example a special purpose vehicle) is financially adequately established or insured to provide reasonable protection against insolvency and has the capacity to meet its obligations under the Code, across the full two years following legal completion, including timely repayment of financial deposits when due and any financial awards directed by the Ombudsman;
 - 1.2.4 comply with these Rules, including any requests to provide compliance information as set out under Rule 7;
 - 1.2.5 comply with any directions and decisions given or made by the New Homes Ombudsman Service in connection with any home if a customer has signed a Reservation Agreement for a new home on or after the date of registration activation; and
 - 1.2.6 when requested by NHQB or the New Homes Ombudsman Service, provide clear honest, and accurate information at all times.
- 1.3 In addition to any obligations under these Rules, the registered developer will continue to be bound by all earlier edition(s) of the New Homes Quality Code and these Rules in connection with any new homes reserved by a customer after the developer's activation date.
- 1.4 A registered developer who uses an agent to carry out, on its behalf, any activities

regulated by the New Homes Quality Code must ensure that the agent knows the registered developer's obligations under the New Homes Quality Code and fulfils them on the registered developer's behalf. Registered developers remain liable for any failure to comply with the New Homes Quality Code even if it is caused, or contributed to, by the act or omission of an agent.

- 1.5 The New Homes Quality Code, the New Homes Ombudsman Scheme and these Rules do not apply to:
 - 1.5.1 second-hand properties, except for where a new home is sold within the first two years of ownership and then only section 3 of the Code applies;
 - 1.5.2 properties acquired by registered social landlords for rent;
 - 1.5.3 properties acquired by corporate bodies, businesses, trusts, charities, etc. for investment purposes;
 - 1.5.4 properties built by self-builders for their own occupation;
 - 1.5.5 properties assigned or sub-sold to a third party before legal completion;
 - 1.5.6 personal injury claims;
 - 1.5.7 claims for blight;
 - 1.5.8 claims related to the tenure or occupancy status of other properties;
 - 1.5.9 claims related to loss of value due to changes in market conditions or other factors outside the control of the developer;
 - 1.5.10 claims about the land conveyed and its registered title;
 - 1.5.11 claims that exceed the New Homes Ombudsman Service limits.
- 1.6 Customers have the right under the Contracts (Rights of Third Parties) Act 1999 (or where applicable under Rule 1.7) to enforce against registered developers directly the New Homes Quality Code, Rules and any directions and decisions given or made by the New Homes Ombudsman Service. Customers have this right:
 - 1.6.1 without having to obtain the agreement of the Ombudsman or the New Homes Quality Board; and
 - 1.6.2 without having to join the New Homes Ombudsman Scheme or the New Homes Quality Board in any legal proceedings.
- 1.7 When the law of Scotland applies, the registered developer agrees that:
 - 1.7.1 the New Homes Quality Code, Rules and any directions and decisions given under the New Homes Ombudsman Service will be directly enforced against

it by a customer (by way of 'jus quaesitum tertio' (third party benefit) or otherwise); and the registered developer intends this to be a benefit to, and to be relied upon by, the customer.

- 1.8 Where a registered developer withdraws or is removed from the Register of Developers (for whatever reason), they must continue to comply with the Code for the full two years after the purchase by any customers who reserved a new home from them during their period as a registered developer.
- 1.9 Where a developer is a registered developer, they will be shown the NHQB register. If the developer is part of a group of companies, the holding company of the group remains liable for meeting the obligations of the Code for customers who reserved new homes with any registered subsidiary, joint venture (JV) or special purpose vehicle (SPV) for the full period up to two years after purchase, even where the subsidiary, JV or SPV ceases trading within that period and regardless of whether the holding company is a registered developer or not.

2 Handling of complaints about matters covered by the New Homes Quality Code

- 2.1 The New Homes Quality Code covers complaints made in accordance with the developer's complaints process by customers who have signed a Reservation Agreement and believe the registered developer has failed to meet the New Homes Quality Code principles or requirements. The New Homes Quality Code applies to complaints made up to two years from reservation or legal completion, whichever is later.
- 2.2 When a complaint is made, the relevant registered developer must follow the mandated minimum steps, which include:
 - 2.2.1 provide a written acknowledgement of the complaint within five days of the complaint initiation date (the first business day after receiving the complaint);
 - 2.2.2 provide a written 'Path to Resolution' which outlines to a customer how the registered developer will investigate the complaint, within 10 days of the complaint initiation date;
 - 2.2.3 send a Complaint Assessment and Response Letter within 30 days of the complaint initiation date;
 - 2.2.4 where the complaint is not closed and no later than 56 days from the complaint initiation date, send an Eight-week Letter to confirm what action has been taken, what is outstanding and the expected date of resolution;

- 2.2.5 send a Closure Letter at any stage following the complaint initiation date, which must include:
- a list of the items listed in the Complaint Assessment and Response Letter and confirmation that the registered developer believes that each item has been resolved; or
 - a list of the items listed in the Complaint Assessment and Response Letter and confirmation of which of these (if any) have been resolved; and
 - information about how to refer matters to the New Homes Ombudsman Service.

2.3 The customer can refer their complaint to the New Homes Ombudsman Service after 56 days of the complaint initiation date have passed since first raising it with the registered developer and no later than 12 months after the registered developer's closure letter of response.

3 New Homes Ombudsman Service

- 3.1 When a customer refers a complaint to the New Homes Ombudsman Service, the relevant developer must:
- 3.1.1 comply with the New Homes Ombudsman Service Scheme Rules and any directions given by an Ombudsman under those Scheme Rules;
 - 3.1.2 provide clear, honest, and accurate information at all times;
 - 3.1.3 comply with the final decision made by an Ombudsman under the New Homes Ombudsman Service Scheme Rules, which the relevant customer accepts in the manner and within the time allowed by the New Homes Ombudsman Service Scheme Rules; and
 - 3.1.4 not do anything that may limit, or seek to limit, the Ombudsman's independence and impartiality under the New Homes Ombudsman Service Scheme Rules.
- 3.2 The Ombudsman will inform the relevant registered developer and customer of their decision. If the Ombudsman finds that the registered developer has breached the New Homes Quality Code, they may make any decision permitted by the New Homes Ombudsman Service Scheme Rules, subject to the financial limits stated in those Rules.

4 Disciplinary action by the New Homes Quality Board

4.1 Where a registered developer has failed to comply with any of the following:

- the New Homes Quality Board's registration process;
- financial stability against insolvency;
- to any reasonable request for compliance information;
- a requirement for improvement action following a compliance audit; or
- an Ombudsman's final decision,

the New Homes Quality Board operates a Discipline and Sanctions Committee that has the following powers:

4.1.1 to impose under its registration scheme any disciplinary sanction it is entitled to impose. In connection with the use of this power (subject to Rule 5.13), Rule 5 will not apply;

4.1.2 to impose under these Rules the disciplinary sanction of cancelling the relevant registered developer's registration under the registration scheme. In connection with the use of this power, Rule 5 will apply; and/or

4.1.3 to publish details of the sanctions on the New Homes Quality Board website (www.nhqb.org.uk). These may include the following, but are not exhaustive:

- removing a registered developer from the Register of Developers;
- suspending a registered developer from the Register of Developers for a period of time or subject to a requirement, for example, retraining staff;
- imposing a financial penalty;
- publishing details regarding a sanction or non-compliance on the website;
- writing to the registered developer outlining the issues and seeking a resolution;
- speaking/meeting with the registered developer to better understand the issues and seek a resolution;
- seeking compliance undertaking from the registered developer;
- requiring a formal attestation from the Managing Director/Chief Executive and/or Chairman of the registered developer;
- providing advice/guidance on compliance with the Code;

- setting a requirement for retraining to be completed within a specified time;
- making a referral to the relevant Trading Standards Department; and/or
- consideration of any breaches of the rules of registration.

4.2 The New Homes Quality Board must give written notice of any decision to impose a disciplinary sanction under Rule 4.1:

4.2.1 to the relevant registered developer; and

4.2.2 when the decision is to cancel registration under Rule 4.1.2, to the New Homes Ombudsman Service.

4.3 Any notice served under Rule 4.2 must include:

4.3.1 the relevant dispute resolution reference(s); and

4.3.2 when the decision is to cancel registration under Rule 4.1.2:

4.3.2.1 the date when the cancellation of the registration will take effect (which will be 28 days after the date the notice is served);

4.3.2.2 details of the registered developer's right of appeal under Rule 5.

4.4 The New Homes Quality Board will notify the New Homes Ombudsman Service when a notice is served under Rule 4.2. Subject to Rule 5:

4.4.1 cancellation of the registration of the relevant registered developer under the registration scheme will take effect from the date set by Rule 4.3.2;

4.4.2 the registered developer will not be entitled to apply or reapply to the New Homes Quality Board for registration until they are able to demonstrate that the reason for the cancellation is no longer relevant or applicable (e.g. they have retrained all their staff, undertaken internal disciplinary procedures, changed processes, etc.).

4.5 Full details of the NHQB disciplinary procedure are attached in Appendix C.

5 Appealing against a decision to cancel registration

- 5.1 Registered developers are entitled to appeal to the Board of the New Homes Quality Board about any decision to cancel their registration under Rule 4.1.2, on the following grounds:
- 5.1.1 they have complied with the New Homes Quality Board registration process;
 - 5.1.2 they have provided reasonable protection against insolvency and the capacity to meet their obligations under the Code, including timely repayment of financial deposits when due and any financial awards made by the Ombudsman;
 - 5.1.3 they have complied with the Ombudsman's decision and/or taken appropriate steps to deal with any non-compliance with the Ombudsman's decision that had led the NHQB Discipline and Sanctions Committee to cancel their registration;
 - 5.1.4 the Discipline and Sanctions Committee did not act fairly in reaching its decision;
 - 5.1.5 a court of competent jurisdiction has found that the Ombudsman, under the New Homes Ombudsman Service, did not act fairly in reaching the decision that led the New Homes Quality Board to cancel the registration.
- 5.2 To appeal, the registered developer must serve a notice of appeal that the New Homes Quality Board receives before the cancellation of registration takes effect under Rule 4.3.2. The notice must be similar in form to that shown in Appendix 2 and be emailed to info@nhqb.org.uk.
- 5.3 When a notice of appeal is served under Rule 5.2, the disciplinary sanctions that would otherwise take effect per Rule 4.4 will be suspended until the New Homes Quality Board serves a notice under Rule 5.13 or 5.14.
- 5.4 Within 21 days of serving a notice of appeal under Rule 5.2, the registered developer must send to the New Homes Quality Board:
- 5.4.1 a £500 fee;
 - 5.4.2 a written statement of the reasons for appeal;
 - 5.4.3 copies of any relevant documents it wishes to rely on.
- 5.5 The Discipline and Sanctions Committee will give the Chair the information sent under Rules 5.4.2 and 5.4.3. The Chair will convene an appeal committee ('Appeal Committee') to consider the developer's appeal. The Appeal Committee will

comprise the Chair and two other members of the Board or sub-committees who have not been involved in the subject matter of the appeal. Alternatively, if it is necessary to maintain independence, the Chair may co-opt suitable people outside the New Homes Quality Board and/or sub-committees to hear the appeal.

- 5.6 The Chair will give directions for conducting the appeal, which the registered developer must comply with.
- 5.7 A date will be fixed for the appeal hearing, and the Chair will give the registered developer at least 21 days' written notice of the time and venue. The hearing may be held remotely via conference call or other electronic means of engagement.
- 5.8 A registered developer must appear before the Appeal Committee:
 - 5.8.1 personally (either virtually or in person) if the registered developer is a sole trader;
 - 5.8.2 through one of the partners if the registered developer is a partnership;
 - 5.8.3 through one of the directors or its company secretary if the registered developer is a company; or
 - 5.8.4 with the Chair's permission, through an appropriate representative.
- 5.9 When considering a registered developer's appeal, the Appeal Committee will act as a private tribunal and not as an arbitrator.
- 5.10 If a registered developer does not comply with Rules 5.2, 5.4, 5.6 and 5.8, the Chair may dismiss the appeal without a hearing.
- 5.11 On hearing a registered developer's appeal, an Appeal Committee will either:
 - 5.11.1 uphold the registered developer's appeal, if a majority of the Appeal Committee is satisfied that it is right to do so in light of the reasons for appeal in Rule 5.1; or otherwise
 - 5.11.2 dismiss the registered developer's appeal.
- 5.12 Within five days of the Chair's decision (under Rule 5.10) or the Appeal Committee's decision (under Rule 5.11), the New Homes Quality Board will send written notification to the registered developer of the decision.
- 5.13 If the Appeal Committee upholds a registered developer's appeal, the disciplinary sanction under Rule 4.1.2 will not apply, and the New Homes Quality Board must repay the registered developer's appeal fee (but not, for the avoidance of doubt,

the registered developer's costs of, and incidental to, the conduct of the appeal itself). However, the New Homes Quality Board may still apply disciplinary sanctions under Rule 4.1.1.

- 5.14 If the Chair or Appeal Committee dismisses a registered developer's appeal:
- 5.14.1 the registered developer's registration with the New Homes Quality Board will be cancelled with effect from the date a written notice is served under Rule 5.12 on the registered developer;
 - 5.14.2 the New Homes Ombudsman Service will also be notified of the cancellation and its effect;
 - 5.14.3 the registered developer may not apply or reapply to the New Homes Quality Board for registration until they are able to demonstrate that the reason for the cancellation is no longer relevant or applicable (e.g. they have retrained all their staff, undertaken internal disciplinary procedures, changed processes, etc.).
 - 5.14.4 the registered developer will bear their costs of, and incidental to, the conduct of any appeal under this Rule and will not be entitled to a refund of the fee payable under Rule 5.4.1.

6 Service of notices

- 6.1 All notices and other communications required in connection with these Rules must be in writing:
- 6.1.1 if addressed to the New Homes Quality Board, to info@nhqb.org.uk marked for the attention of the Chief Executive;
 - 6.1.2 if to a registered developer:
 - 6.1.2.1 if the registered developer is a company, to the registered developer's registered office, marked for the Managing Director/Chief Executive's attention;
 - 6.1.2.2 if the registered developer is a partnership, to the registered developer's registered office (in the case of a limited liability partnership) or its principal place of business, marked for the partners' attention;
 - 6.1.2.3 if the registered developer does not fall within Rules 6.1.2.1 or 6.1.2.2, to the last business address recorded by the New Homes Quality Board, marked for the manager's attention.

- 6.2 Subject to Rule 6.3:
- 6.2.1 a notice or other communication delivered by hand will be regarded as having been served on the date it is delivered to the addressee;
 - 6.2.2 a notice or other communication sent by pre-paid post will be regarded as having been served on the third working day after it has been posted to the addressee; and
 - 6.2.3 a notice or other communication sent by email will be regarded as having been served on the date it is received by the addressee.
- 6.3 A notice or other communication that the addressee receives on a day that is not a working day, or after 5pm on a working day, will be regarded as being served on the next working day.

7 Compliance information

- 7.1 Registered developers must make reasonable efforts to record compliance information for the purposes of this Rule. On request, registered developers must provide the New Homes Quality Board with all compliance information that they have available to them.
- 7.2 The New Homes Quality Board has the right to collect, use and disclose compliance information (including by publishing and by sharing it with other members of its Board, any of its sub-committees and the New Homes Ombudsman Service) when this is:
- 7.2.1 necessary or helpful to support the effective working of the New Homes Quality Code;
 - 7.2.2 helpful in improving levels of customer satisfaction in the housebuilding industry;
 - 7.2.3 necessary to fulfil a duty imposed by law.
- However, the disclosure of compliance information must not enable individual registered developers or customers to be identified by those to whom it is disclosed, except when:
- 7.2.4 necessary to fulfil a duty imposed by law;
- 7.3 The collection, use and disclosure of compliance information must always comply with the General Data Protection Regulations 2018.

8 Contractual matters

- 8.1 If a registered developer's registered office address (or, if not a company or limited partnership, principal place of business) is in England, Wales, Scotland or Northern Ireland, the law that applies to the Rules is the law that applies in the relevant country.

Appendix A - New Homes Ombudsman Scheme Rules

The Scheme Rules for the New Homes Ombudsman Service can be found on their website here:

[NHOS Scheme Rules](#)

Appendix B – Form of notice of appeal under Rule 5.2 against deregistration

For an appeal to be considered under Rule 5.2, the appeal application must:

- 1 be written on the company's letterhead;
- 2 contain the following information:
 - a) the date of notification;
 - b) the developer's name;
 - c) the registration number issued by the relevant home warranty body;
 - d) the name of the relevant home warranty body;
 - e) the relevant adjudication reference number(s);
 - f) the address of the subject home(s);
 - g) the name of the homebuyer(s) who made the original complaint(s);
 - h) the insurance warranty policy number(s) as issued by the relevant home warranty body;
 - i) the reasons for the appeal against deregistration;
- 3 include all relevant evidence;
- 4 include the appeal fee of £500;
- 5 be signed and dated by the developer, including confirmation of their status and position;
- 6 be submitted to the New Homes Quality Board at the registered address or via email to info@nhqb.org.uk.

Appendix C – NHQB disciplinary procedure

General

The New Homes Quality Board (“NHQB”) sets out standards for registered developers to follow the New Homes Quality Code and to ensure the integrity of the Scheme, and it has established a procedure for escalating disciplinary measures and sanctions when developers fail to meet these standards. In setting out our approach to discipline and sanctions, we should be clear to registered developers in the expectations we have of them and, where they fail to meet these, have in place a process:

- that places their customers at the heart of our decision-making and ensures that any outcome is in the best interests of customers as a whole.
- that is fair and transparent.
- that in order to come to an appropriate decision, is informed by, but independent of, industry, but balanced with relevant technical and sector expertise.
- that takes into account published standards and principles of better regulation, facilitated self-regulation, and disciplinary processes.
- that all actions taken by the NHQB will be proportionate and, wherever possible, follow a graduated approach to sanctions.

Stage 1: Initiating investigation

An initial investigation may be launched, following either:

- a customer logs a formal complaint with NHQB (following a direction or decision by the NHOS), alleging that a registered developer has either deliberately or negligently provided misleading information to the NHOS;
- a referral by the New Homes Ombudsman;
- findings of a routine audit; or
- government direction or a referral by a public body.

An initial investigation by NHQB staff determines that the member is considered to have acted in one or more of the following ways:

- acted inconsistently with the aims and objectives of the NHQB.
- failed to abide by the Code and these Scheme Rules.
- failed to abide by the direction or decision of the NHOS.
- failed to co-operate reasonably with the findings of mediation, arbitration, or the courts.
- fallen into disrepute.
- failed to maintain satisfactory professional standards.

Then, the Chief Executive Officer or another person to whom the Board delegates responsibility shall appoint a 'Procedure Manager.' If the investigation by the Procedure Manager does not, in their opinion, indicate a breach of the Code, then the originator of the complaint (the "complainant") and the member complained against (the "member") (the "parties") shall be informed within five working days of that decision.

If either party does not accept the Procedure Manager's decision, they can appeal to the Chief Executive.

Stage 2: Complaint upheld

If, following the Procedure Manager's investigation, the complaint is upheld, they may, at their discretion:

- enter into discussions with the member to seek assurances regarding future conduct;
- issue an improvement notice to the member. This must be issued in the approved form, an example of which is in annex one of this procedure; or
- make a referral to the Disciplinary and Sanctions Committee to consider the matter.

Where required, the Procedure Manager can, by any reasonable means at their absolute discretion, determine whether the member has taken any required corrective action, or provided an assurance to implement the measures set out following discussions with the Procedure Manager or those issued within an improvement notice, and shall inform both parties within five days of coming to that conclusion.

If either party does not accept the Procedure Manager's decision, they can appeal to the Chief Executive. If the Procedure Manager does not accept that appropriate corrective action has been or will be taken, they can refer the matter to the Disciplinary and Sanctions Committee (Stage 3).

Stage 3: Disciplinary and Sanctions Committee

The Disciplinary and Sanctions Committee shall be appointed by the Board and constituted according to the terms of reference agreed upon for that Committee.

The Committee shall convene no more than eight weeks from its appointment and give the Code member no less than 21 days' notice to attend the hearing. The Code member may choose to attend, appoint a representative, or not attend.

Based on the evidence and findings of the investigation, the Committee shall decide whether a breach (of the Code or other disciplinary offence) has occurred and, if so, what corrective action or disciplinary measures are to be applied. Disciplinary measures available to the Committee are set out in the Committee's terms of reference.

The decision of the Committee shall be communicated to both parties within five working days of the hearing. If either party does not accept the Committee's decision, they can appeal to the Board.

Stage 4: Outcome

In the event of an improvement notice, the Committee shall recommend the consequences of failing to take corrective action as part of its decision.

By any reasonable means at their absolute discretion, the Procedure Manager shall determine whether the Code member has taken any corrective action required by the Committee. If the Code member has met the Committee's requirements, the parties shall be informed within five working days of the Procedure Manager's decision, and the complaint will be closed. If the member has not met the requirements, the consequences set out by the Committee as part of its original decision shall be implemented.

The Procedure Manager and/or the Disciplinary and Sanctions Committee may recommend to the Board that the sanction of expulsion be applied should the circumstances, in their opinion, warrant it, either directly or after the disciplinary procedures have been applied. If the Board decides to expel the Code member, expulsion from the membership will take effect immediately, and the member's details will be removed from all membership lists for a defined period of time or until the Board is presented with such evidence to demonstrate that the sanction is no longer required.

Should an event that appears to be in contravention of the law be brought to the attention of the NHQB during any of the foregoing procedures, it will be obliged to report it to the proper authorities.

**Annex
one**

**NHQB Discipline and Sanctions Procedures
Improvement Notice**

This notice is issued to:

Member name:	

The NHQB requires you to implement the measures set out in the improvement notice that, in the opinion of the Procedure Manager and/or the Disciplinary and Sanctions Committee appointed to deal with the complaint against you, are required to bring your company in line with the NHQB's requirements for Code membership.

You are hereby notified that failure to comply with this improvement notice may result in the Disciplinary and Sanctions Committee appointed to the Board recommending that the Board consider whether or not the member should be excluded.

Signed:	
Date:	