New Homes Customer Care and Defects Management Policy

1. Introduction

1.1 We aim to provide our residents with safe, efficient and good quality homes and prior to handover and occupation of a new build home, robust quality checks are carried out by Development colleagues, our Employer Agents and members of the New Homes & Customer Care Team.

1.2 We understand that the service received when a customer moves in has a significant impact on their enjoyment of their new home, and defects can significantly reduce their ability to enjoy it during what should be an exciting time. If issues are identified post-occupation, we aim to resolve these thoroughly, sensitively and promptly with minimal disruption to our customers.

1.3 This policy states how the New Homes Customer Care Team manage defects in the Defects Liability Period and our approach to resolving them.

1.4 This policy has been developed with reference to the New Homes Quality Code, in consideration to our Employer Requirements and the:

- Delivery and Land Partnerships Policy
- Construction Design and Management Policy
- Health and Safety Policy
- Responsive Repairs Policy
- Complaints Policy and Procedure
- Compensation and Remedies Policy

2. Scope

2.1 This policy only covers defects in new build homes and blocks that are made apparent to us during the Defects Liability Period. It applies to all tenures.

2.2 This policy applies to the Peabody Group and all subsidiaries.

2.3 This policy applies to all who are employed by Peabody and any third parties who may work on our behalf, e.g., consultants or contractors.

3. Key terms and definitions

3.1 **A defect** is an aspect of the new building which is not performing as it should and may need attention or repair; faults other than those resulting from ordinary wear and tear, accidental damage, misuse, vandalism, or the like. We are responsible for rectifying identified issues. For the purposes of this policy, when we say “defect” this is in reference to apparent or patent defects (where we are notified during the Defects Liability Period). As part of our quality checks prior to occupation by residents, we would not purposefully handover of a scheme where defects have been identified.

3.2 The **Defects Liability Period (DLP)** is a set period of time after a housing development project has been completed during which the contractor is responsible for the rectification of any defects which occur in the building (including communal areas) at their own cost. The DLP commences from the date the property achieves Practical Completion, it is usually 24 months, but this is explicitly stated in the Home User Guide (HUG).

3.3 **Latent defects** are faults which are not readily detectable (even with a reasonably thorough inspection) and did not become apparent to us until after the DLP ends. We have a Latent Defects team that handles these cases; they are not covered by this policy.

3.4 A **snag** is usually a cosmetic issue that remains in the property after work has been completed. Once a sample home has been completed, the **benchmark snag** sets the standard as a point of reference for the rest of the homes once they are built and give colleagues an opportunity to feedback any concerns. As snags are usually cosmetic, identification of a snag prior to handover would not prevent handover.

4. Our approach

4.1 We treat everyone with fairness and transparency, aiming to provide a good quality service underpinned by regular engagement and timely responsiveness.

4.2 We take a proactive approach to the prevention, identification and rectification of defects in our properties and communal areas.

4.3 We aim to ensure that all properties are free from defects before handover to the customer takes place. Where they do occur post-handover, we aim to resolve them using the following categories:

- **Emergency defects:** may cause a danger to life or risk major damage to the property. We aim to attend and make these safe within 24 hours. Examples include the complete loss of power or water supply, uncontainable leaks and faulty locks to doors and windows on the outside of the property. Loss of heating and hot water are considered an emergency during the months of November to April.

- **Urgent defects:** small repairs that need to be carried out urgently to prevent damage to property. We aim to complete these within 5 working days. Examples of urgent defects include leaks in sinks, baths, or basins, containable roof leaks, and door entry systems not working. Loss of heating and hot water are considered urgent during the months of May to October.

- **Non-urgent defects:** small repairs where a defect is less urgent but has potential to cause damage to the property. We aim to complete these within 20 working days. Examples of non-urgent defects are minor repairs to doors and faults that have not been put right.

4.4 Where we are unable to resolve defects within the listed timescales, we communicate this clearly to the customer and provide regular fortnightly updates until the matter is resolved.

4.5 We provide training and resources for colleagues to understand defects and our responsibilities for managing them.

Quality checks

4.6 We regularly engage with other business areas to assist in design decisions and seek to avoid unnecessary complications that will result in maintenance and repair difficulties in the future.

4.7 Leading up to the completion of a construction project, all new build homes are subject to quality control checks with customer satisfaction as the top priority. This involves site visit inspections, benchmark snags, regular progress meetings, and the completion of commissioning and testing certificates for the electrical and mechanical components.

4.8 Prior to scheme completion, we organise defect strategy meetings with the contractor's aftercare team to agree requirements surrounding defects resolution. This is to ensure all contractors align with our service level agreements and agree to use our Defect Management System (Clixifix).

4.9 In the lead up to scheme completion, we compile a Home User Guide containing information that residents need to know about their home and wider neighbourhood as they move into their new home.

4.10 Post-handover of a construction project, we conduct regular void inspections and walkthroughs to identify and rectify issues before residents move into a new property.

Information for customers

4.11 We communicate our responsibility for defects during the liability period, as well as information on:

- Principal aspects of the new home which are their responsibility to maintain.
- What may be assessed as a snag or defect, how they are categorised and how they can notify us.
- The timescales within which a written response to enquiries is normally provided.
- The need for access to the new home.
- Arrangements for inspection (and confirmation of a remedy where appropriate).
- The potential timescales for remediation according to the nature of the snag or defect.

4.12 We make sure that leaseholders understand that they have the right to an independent pre-completion inspection before legal completion takes place.

Home demonstrations

4.13 Prior to moving into a new build home, all customers are offered a home demonstration during which they are given information on how to report defects.

4.14 A home demonstration introduces customers to their new build home and goes through the important features found in the property such as the Heat Interface Unit (HIU) and Mechanical Ventilation with Heat Recovery (MVHR) system, as well as the location of the bin and bicycle stores and utility meters.

4.15 During the DLP, we recommend that customers do not drill holes into the walls or affix anything heavy, such as shelving or televisions, to prevent causing damage. We ensure that residents understand the risks of doing so, including the possibility of taking on responsibility for rectifying any damage caused.

Notification of Defects and Snags

4.16 While we carry out snagging activities as part of the quality checks prior to allowing occupation of a new home, residents can also submit their full snagging lists no later than one month of occupation. We ask that a suitably qualified third-party inspector qualifies these; this may be a member of RICS, CIOB or another surveying accreditation body.

4.17 Customers can notify us of any defects via a number of communication channels listed in the Home User Guide. Outside of normal office hours, we only log and respond to emergency defects. Other defect categories are logged and assigned the next working day.

4.18 We aim to acknowledge any queries or notifications of defects by the end of the next working day.

4.19 We may ask for information about how the defect has occurred and request pictures or videos which help illustrate the issue, to help determine the urgency of the problem and who is required to attend.

4.20 We inform customers about what action is being taken, the likely timescales and provide them with updates, whether it be from us, developers, or contractors.

4.21 We follow up with customers to establish whether they consider the defects remedied and if this is not the case, explore further options including the use of independent surveyors to resolve longstanding disputes.

End of Defects Liability Period (DLP)

4.22 When the DLP ends, we are no longer liable to rectify any future defects (excluding latent defects). For leaseholders (including shared owners), this means they are now responsible for maintenance and repairs within the property. Tenants still need to report repairs in line with our Responsive Repairs Policy. Residents are notified of this, as well as the opportunity to schedule a Final Inspection.

4.23 Where Final Inspections are conducted, we determine whether each property is in accordance with the National House Building Council's Standards and make sure that any outstanding or newly identified defects are reported and can be repaired.

4.24 We provide three opportunities for residents to accept an appointment or provide access to their home, otherwise they are automatically signed-off and the defects are their responsibility to resolve.

4.25 Our representative assigned to the property notifies the rest of the business when the DLP ends, usually via email.

Records Management

4.26 We utilise a centralised management system to report and track updates on outstanding defects.

4.27 We conduct weekly business intelligence reports on outstanding defects and complaints from residents. This includes:

- Monthly reporting of defects and complaints at senior leadership level.
- A weekly complaint reporting sheet issued by the Customer Experience team.

4.28 Information is collected and stored in line with our Data Protection Policy.

Complaints and Compensation

4.29 While we are committed to providing high levels of service, we accept that there may be occasions where our customers may not be satisfied with the service they have received. We value all complaints and use this information to improve our service provision. Please refer to our Complaints Policy for more information and response timescales.

4.30 We provide residents with details about our complaints process and how they can engage with us as part of the Customer Care service.

4.31 The New Homes and Customer Care team coordinates and regularly engages with the Customer Experience team to address concerns in a timely manner. We reiterate the need to process all complaints in line with the Complaints Policy at team meetings and provide regular refresher training on complaint handling for the teams involved in managing defects.

4.32 In the rare case where a serious service failure has been identified, we may pay compensation and offer appropriate remedies. The action taken is assessed on a case-by-case basis and is dependent on the category of defect; aligned with the recommendations contained within our Compensation and Remedies Policy.

5. Equality, Diversity and Inclusion

5.1 We take steps to identify vulnerable people and provide them with the appropriate advice and assistance to suit their needs, ensuring that they understand the New Homes Quality Code, their responsibilities and our responsibilities throughout the New Homes process.

5.2 The New Homes Quality Code is available in a variety of formats and media to suit their needs and is issued within 10 calendar days of a request.

5.3 We are committed to making our complaints and defect reporting process accessible and easy to use for all in line with our regulatory and statutory duties. All requests to accommodate needs are considered and acted on, where possible, in accordance with our Reasonable Adjustments policy and the Equality Act 2010. Examples of the support we can provide include adapting our communication method and allowing more time for a complaint to be brought to our attention.

5.4 An Equality Impact Assessment has been completed for this policy.

5.5 This policy aligns with our wider Equality Diversity and Inclusion strategy by supporting the vulnerable and creating places where people want to live and build resilience in people and communities.

6. Legislation and Regulation

6.1 The key pieces of legislation and regulation are the:

- Housing Ombudsman Service's New Homes Quality Code of Practice
- Regulator for Social Housing's Home Standard and Tenant Involvement & Empowerment Standard 2015
- Building Safety Act 2022
- Decent Homes Standard 2006
- Defective Premises Act 1972
- Equality Act 2010

7. Responsibilities

7.1 The Director of New Homes Customer Care has overall responsibility and accountability for this policy and its implementation.

Approval

Version number	2.0
Effective from	03.09.2024
Policy owner	Director of New Homes and Customer Care