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## Checkmate- Builders of New Homes

3 October 2017

### Background information:

Checkmate is a division of Lockton Companies LLP that specialises in the provision of latent defect warranties on all types of buildings.

Checkmate provide warranties on new residential buildings. Checkmate has been awarded Chartered Building Consultancy from the Chartered Institute of Building. Checkmate is the first carbon neutral new home warranty provider in the UK and as such does not keep hard copy records unless absolutely necessary, which means that all of their processes are “on line”. Checkmate now has a “coordinated “ Primary Authority Partnership with Surrey Trading Standards and its standard documents have been approved by Surrey Trading Standards as “Assured Advice” . Members are offered Primary Authority at no cost.

There are currently 951 members which includes 344 as new members as at 30/4/2017. Alternative dispute resolution (ADR) is provided by the Property Ombudsman.

### Audit Process

A qualified chartered trading standards professional from the Chartered Trading Standards Institute (CTSI) completed a desktop audit. The audit focused on the following areas:

1. Member application process including checks carried out on prospective members
2. Member auditing-content and process (including general compliance with the code, staff training and dealing with consumer complaints)
3. Sanctions for non compliant members
4. Marketing and advertising by member businesses- Terms and conditions and pre contractual information (including cancellation rights, deposits, delivery times and guarantees and warranties)
5. Customer service provisions (including support for vulnerable consumers).
6. Consumer complaints process (including ADR)
7. Customer satisfaction, information/complaints from enforcement agencies, and how this information is used to develop and improve the code

## **Audit Summary**

### **Member Application Process**

This is an online process which incorporates a series of tests as to the applicants “bona fides” including credit checks, checks with Companies House, and individual directors. An annual fee is charged and applicants sign an annual compliance letter which recommits their adherence to the code and its requirements.

### **Existing Member Inspections/Audit**

Each new build site is registered by the member giving site address’ site manager, and other key information each plot on a site is visited by a qualified Checkmate Surveyor at defined stages through the build where digital photographs are taken and stored on the central database. Approximately 120 photographs are typically stored for each plot on each build giving a comprehensive record of the building standards.

Checkmate also operates an online audit of 10% of members annually, responses are colour coded as to compliance and followed up where an answer or document is not satisfactory.

The audit process and several Individual random records were examined and were found to very extremely comprehensive and detailed, however the responses column on the spread sheet was not always completed so it was not clear whether or not the audit process had been ‘signed off’ in respect of required corrective actions’

<p><b>Corrective Action:</b> The responses column of the Consumer Code Audit report should be completed and dated to show the status of the member and required corrective actions.</p>
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### **Membership Withdrawal and Sanctions for Non Compliant Member Businesses**

Any breaches of the code are subject to a range of sanction within the code. There is a Disciplinary and Sanctions Panel, who can decide on warnings, suspension or expulsion.

There have only been 10 complaints since the inception of the code, all 10 were found to be outside of the code or the complaint was withdrawn, as a consequence the panel has never had to be formed.

### **Marketing and Advertising by Member Businesses**

The code requires marketing material to be in plain English and in compliance with the code. Checkmate audits any marketing material as part of its on site audits and

website audits as part on the 10% ongoing audits of members. Correct use of logos is part of the checks.

### **Terms and Conditions and other Pre-Contractual Information**

The code states what information must be provided and when to the buyer and at what stage of the purchasing process. There are standard templates available on the website for members to use.

### **Customer Service Provisions**

It was reported that no members of Checkmate use premium telephone numbers for their customer service or complaints telephone numbers. Checkmate members are typically small builders and as such contact from purchasers is direct to the builder through their normal office numbers. Vulnerable consumers were considered as part of the code. Sales did not take place in consumers' homes.

### **Website**

The website is well designed and provides a wealth of information for Builders and Consumers alike, the 'Home Owners Guide' particularly was very comprehensive. However the very useful tab Homebuyers Information (which may be the first tab a visiting consumer looks for) makes no mention of the CTSI Approved Consumer code neither is the logo present. The logo does not appear on the landing page of the Website either.

**Corrective Actions:** The Consumer Code Approval Scheme requires that sponsors should make consumers aware of the code and publicise the benefits of dealing with an organisation that is a code member. The logo should be used on the website landing page and on the Consumer Code.

Whilst it was reported that no revisions had been to the code it is recommended that when the CTSI Approved Code Logo is added, the code is brought within the Checkmate controlled document system so members can ensure that they have the current version.

### **Consumer Complaints Process**

There is a complaints process in place which was satisfactory. All complaints were dealt with by the Managing Director but as previously reported as yet there have been no complaints that have fallen within the provisions of the code.

### **Customer Satisfaction and Feedback**

This area is continues to be challenging, as each purchaser is sent a Checkmate Satisfaction Survey via email through their solicitor and it requires the solicitor to

pass this on therefore Checkmate does not have any direct contact with the purchaser. The survey is an online completion document. In the year ending April 2017 5675 questionnaire links were sent out with 64 fully completed and 32 partially completed. This accords with a satisfactory success rate based on the Direct Marketing Association guide. Checkmate has developed a mystery shopper checklist to further strengthen the audit process, this has not yet been used but is available based on the feedback, complaints and audits received and carried out so far. The mystery shopper procedure would only be used if there was an identified performance issue.

## **Conclusions**

Checkmate continues to meet its obligations as a code sponsor and its members are compliant with the CCAS core criteria and the Checkmate consumer code. The requirement from the last audit to produce an Annual Report has been complied with and the report bore the CTSI Approved Code Logo.

The non-conformities relate to the closing off of the responses to the internal codes audit and the use of the CTSI Approved Codes Logo on the Website and the Consumers Code itself.