

# NEW HOMES OMBUDSMAN CASE STUDY



## The issue

The customer complained that the developer provided inaccurate information about affordable housing near their chosen plot. The customer believed this negatively impacted their home's value and requested a price reduction.



## Relevant sections of the New Homes Quality Code

Part 1  
Selling a new home

Part 2  
Legal documents, information, inspection and completion



## The circumstances

- During the reservation process, the customer was shown information about the development, including the location of properties designated as affordable housing. The customer asked the developer if the affordable homes near their selected plot were 'shared ownership' properties, and the developer indicated that they were.
- When further information was provided to the customer's conveyancer as part of the pre-contract process, the customer became aware that the nearby affordable housing was listed as 'affordable rent'.
- In light of this, the customer also raised concerns with the developer that similar properties to their own were being marketed at a lower price. Before the sale was completed, a price reduction was agreed between the customer and developer.

## The Ombudsman decision

The developer agreed that incorrect information had been provided to the customer. The Ombudsman found this to be a genuine misunderstanding and was not intended to mislead the customer. The developer's staff had been recently reminded of the developer's general policy not to discuss or confirm specific types of occupancy for individual plots, because these can be subject to change.

The complaint was upheld in part as the customer had been provided with incorrect information, in response to a direct question. The Ombudsman decided that the developer should apologise to the customer.

The Ombudsman decided the information provided to the conveyancer met the requirements of the Code, and would have allowed the customer to make a fully informed decision about their purchase. Therefore, it was not considered to be mis-selling.

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## Outcome

The customer complaint was **upheld in part**.



## Learnings from this complaint

- Developers should ensure that their sales teams are equipped to discuss the occupation of nearby properties and how these can be subject to change.
- Customer expectations are closely tied to what they are verbally told. Any discrepancies between discussions with staff and information handed over can lead to confusion and dissatisfaction.

## Key takeaways for developers

Document all information verbally discussed with customers, and ensure this information will be identical with the details provided to conveyancers later in the process.

Train colleagues to be confident at discussing affordable housing and outlining what specific types of occupancy are available for individual plots. This will make it easier for teams across the organisation to follow policies and be more transparent when customers make these type of enquiries.

If you become aware that incorrect information has been provided, promptly acknowledge the mistake and apologise to the customer. This will help to work towards finding a reasonable solution before the issue requires a full adjudication.

