

*Home Information Pack:  
Standards for Certification Schemes*

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Part 1: Business Standards



# Home Information Pack: Standards for Certification Schemes

## Part 1: Business Standards

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# Introduction

## The Home Information Pack

After implementation of the Housing Act 2004 homeowners or their estate agents must have a Home Information Pack when marketing homes for sale in England and Wales. They must make a copy of the pack available to prospective buyers on request, subject to the detailed provisions of the Legislation.

The documents to be contained in the Home Information Pack will be specified in regulations made under the Housing Act 2004. These will include a Home Condition Report which is a new form of report that has been specifically designed for this purpose. There will be an exemption from the requirement to provide a Home Condition Report for certain new homes.

## The Home Condition Report

The Home Condition Report provides an objective report on the condition of the home which can be relied upon by the seller, the buyer and the buyer's mortgage lender. The reports will help buyers and sellers to agree a price for the home based on a common understanding of its condition. They can also be used by mortgage companies to inform their lending decisions.

Certification Schemes (see below) are responsible to ensure that all Home Condition Reports are stored on an electronic register that will be kept by or on behalf of the Government in accordance with regulations made under the Housing Act. Copies of the reports will be held by Certification Schemes in local registers which will also be covered by the regulations. Access to registered Home Condition Reports will be controlled by the regulations.

## Certification Schemes for Home Inspectors

It is essential that consumers and others who rely on Home Condition Reports can have confidence both in the reports as well as in the people that prepare them. The Housing Act therefore provides for the Secretary of State to require the Home Condition Report to be prepared by a person, commonly called a 'home inspector', who is a member of a Certification Scheme.

One or more Certification Schemes will be approved by the Secretary of State for Communities and Local Government. These schemes will be required to make appropriate provision for such matters as ensuring that their members are fit and proper persons who are qualified and insured to produce Home Condition Reports. Schemes must also keep public registers of their members and make provision for resolving complaints against members.

Approvals will be decided having regard to the policy of the Department for Communities and Local Government which is set out in published Criteria and these Standards.

## **The Certification Scheme Standards**

The Standards represent Department for Communities and Local Government (DCLG) policy for both the approval and ongoing operation of Certification Schemes and are the minimum requirements to be met by a Certification Scheme.

The Standards describe the outcomes that are required from Certification Schemes and do not prescribe the methodologies that are to be used. The methodologies are matters that prospective Certification Schemes will be expected to describe in full when seeking approval.

A Certification Scheme may apply additional voluntary standards for its own purposes, provided that they are not inconsistent with these Standards, but if it does any voluntary standards must be operated and reported on separately. Such voluntary standards may need to be audited by DCLG to ensure that they are not inconsistent with the Standards specified by the Secretary of State.

All Home Inspectors must work to the Standards described, to maintain public confidence in the Home Condition Report and the role of the Home Inspector.

## **Audience**

The document is for use by Certification Schemes.

## **Stakeholder involvement**

The recommendations of the industry working groups connected with the content of these Standards have been incorporated, where appropriate. The organisations represented on the working groups are listed below:

Awarding Body for the Built Environment/University of Central England (ABBE/UCE)

Association of Building Engineers (ABE)

Association of British Insurers (ABI)

Asset Skills

Chartered Institute of Architectural Technologists (CIAT)

Chartered Institute of Building (CIOB)

Council of Mortgage Lenders (CML)

Construction Skills

Federation of Approved Energy Rating Organisations (FAERO)

Law Society

National Association of Estate Agents (NAEA)

Royal Institution of Chartered Surveyors (RICS)

Which?

# Home Inspector Registration

## 1: Determining whether a person is ‘fit and proper’ for Membership

**This Standard is required to ensure that Home Inspectors are ‘fit and proper’ persons.**

### The overriding objective

The overriding objective to be upheld by Certification Schemes when deciding whether an applicant or an existing Home Inspector is a ‘fit and proper’ person to be a member is to ensure a high level of protection of consumers and other persons who rely on or are affected by the work of Home Inspectors.

### *Part 1 – Minimum Operational Standards*

Persons may not become or remain members unless they are fit and proper to do so. A Certification Scheme must be able to demonstrate that it has rigorous procedures to ensure that a Home Inspector is a suitable person both to be permitted to enter the peoples’ homes and also to prepare Home Condition Reports. These will be relied upon by mortgage lenders and consumers who will be committing to transactions that are of very substantial value to them.

To this end the standards require that:

1.1 Appropriate enquiries are made of:

- 1.1.1 the Criminal Records Bureau and all the requirements of the Bureau are complied with in using and safeguarding the information supplied;
- 1.1.2 the Home Inspector or applicant;
- 1.1.3 other Certification Schemes approved by the Secretary of State of which the applicant is a member and about the membership or status of membership.

In addition, Certification Schemes should also refer to the Standards for “Qualification” and “Duties and Responsibilities”.

1.2 Applications must be rejected and membership revoked if a person has been convicted or cautioned for a serious arrestable offence including:

- Murder
- Manslaughter
- Death by reckless driving
- Rape

- Kidnapping
  - Firearms offences
  - Hostage taking
  - Hijacking or torture
- 1.3 Applications must also be rejected and membership revoked if a person has been convicted of offences that are less serious than those listed in paragraph 1.2 but if these offences are against the person or property, or offences which involve elements or acts of dishonesty, corruption, substantial financial gain or serious loss to anyone (including theft, fraud and deception), which resulted in a prison sentence within the last 5 years.
- 1.4 In all other cases where an offence has been committed the Certification Scheme must take into account:
- the **relevance** of the offence to the role of the Home Inspector;
  - the **seriousness** of that offence;
  - whether there is any **significant pattern** of offending;
  - **how recently** the offence was committed.
- 1.5 Application forms for membership of a Certification Scheme must contain a warning that failure to complete the form honestly and completely may lead to membership being refused or disciplinary action. All applicants are required to sign a declaration that they will abide by the Duties and Responsibilities and understand that failure to do so may lead to disciplinary action being taken against them and/or consumer redress being awarded against them.
- 1.6 The results of the enquiries detailed above are recorded, maintained and stored in a secure environment.
- 1.7 Membership of the Certification Scheme is refused to applicant Home Inspectors or withdrawn from Home Inspectors who do not satisfy the requirements of these Standards.
- 1.8 It responds to enquiries made by other Certification Schemes to confirm the status of membership and disciplinary record of any Home Inspector and applicant Home Inspector.
- 1.9 Make and respond to all enquiries for information in such written format as is acceptable for use in any legal proceedings.

## *Part 2 – Performance Standards*

Certification Schemes must:

- 2.1 establish and operate a formal assessment procedure for applications to ensure that Home Inspectors and applicants are 'fit and proper' persons.
- 2.2 subject to the requirements of the Criminal Records Bureau, maintain comprehensive records of the entire process of applying these standards including clear and justifiable reasons for admitting or rejecting applicants to membership or expelling Home Inspectors from membership. These must be held separately from records relating to:
  - all employment and disciplinary matters;
  - any additional voluntary standards imposed by the Certification Scheme.
- 2.3 apply the standards in a consistent, fair and open manner and comply fully with all relevant legislation including that relating to discrimination, data protection and human rights
- 2.4 give clear and justifiable reasons to an applicant who is refused membership, or a Home Inspector whose membership is withdrawn because these standards are not satisfied
- 2.5 ensure that Home Inspectors and applicants have access to a means of appeal against any decision to reject an application for membership or to withdraw membership because these standards are not satisfied. The means of appeal, although organised by the Certification Scheme must be demonstrably independent from it (see Standard for Registration and Membership Appeals).
- 2.6 submit to DCLG regular performance reporting information (see 14).
- 2.7 make records available to, and give all assistance requested by DCLG in relation to monitoring performance of these Standards. This requirement is set out in the Monitoring Standard (see 14), and will include spot checks being carried out on the whole application evaluation system, on expulsions, and on those rejections leading to appeal.
- 2.8 include, within their Annual Reports, comprehensive details related to the qualitative and quantitative aspects of applicant evaluation (see 14).

## 2: Home Inspector qualifications

**This Standard defines:**

- **the qualification regulations**
- **the qualification process.**

**To ensure that Home Inspectors are competent to undertake the work, and to gain the confidence of consumers, they must have attained a qualification that satisfies the Standards. The qualification must fit within the framework of National Occupational Standards (NOS) approved by the United Kingdom coordinating Group of National Occupational Standards Board.**

**Asset Skills and the property industry have participated in the development and approval of the NOS for Home Inspectors, which have been set at the equivalent of NVQ level 4. Qualifications based on these NOS can be developed and offered by awarding bodies, (see 2.3).**

**To be members of a Certification Scheme, Home Inspectors must obtain one such qualification.**

### The overriding objective

To ensure that Certification Schemes require all Home Inspectors to be qualified in accordance with the National Occupational Standards before offering them membership.

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure the following are adhered to.

- 2.1 Membership of a Certification Scheme must only be offered to applicant Home Inspectors who have obtained a relevant qualification.
- 2.2 The qualification must satisfy the National Occupational Standards (NOS) for Home Inspectors approved by the United Kingdom Coordinating Group of the National Occupational Standards Board as amended from time to time.
- 2.3 The Qualifications and Curriculum Authority must approve the Awarding Body and accredit the qualification in conjunction with the Welsh Assembly Government Department for Education Lifelong Learning and Skills.
- 2.4 Membership of a Certification Scheme may be suspended or withdrawn from Home Inspectors who do not maintain the required level of competence to satisfy the NOS.

## *Part 2 – Performance Standards*

A Certification Scheme must:

- 2.5 develop systems to verify the identity of applicant Home Inspectors and ensures that they are appropriately qualified.
- 2.6 keep records of the qualifications of Home Inspectors.

## **3: Home Inspector membership registration and renewals**

**The Housing Act requires that Home Inspectors be registered as members of a Certification Scheme that ensures they are qualified and ‘fit and proper’ persons to undertake the role. Membership must be regularly renewed to maintain its currency.**

**A Certification Scheme must be able to provide evidence that it has undertaken its responsibility, both in the registration process and during the regular renewal of Home Inspector membership.**

### The overriding objective

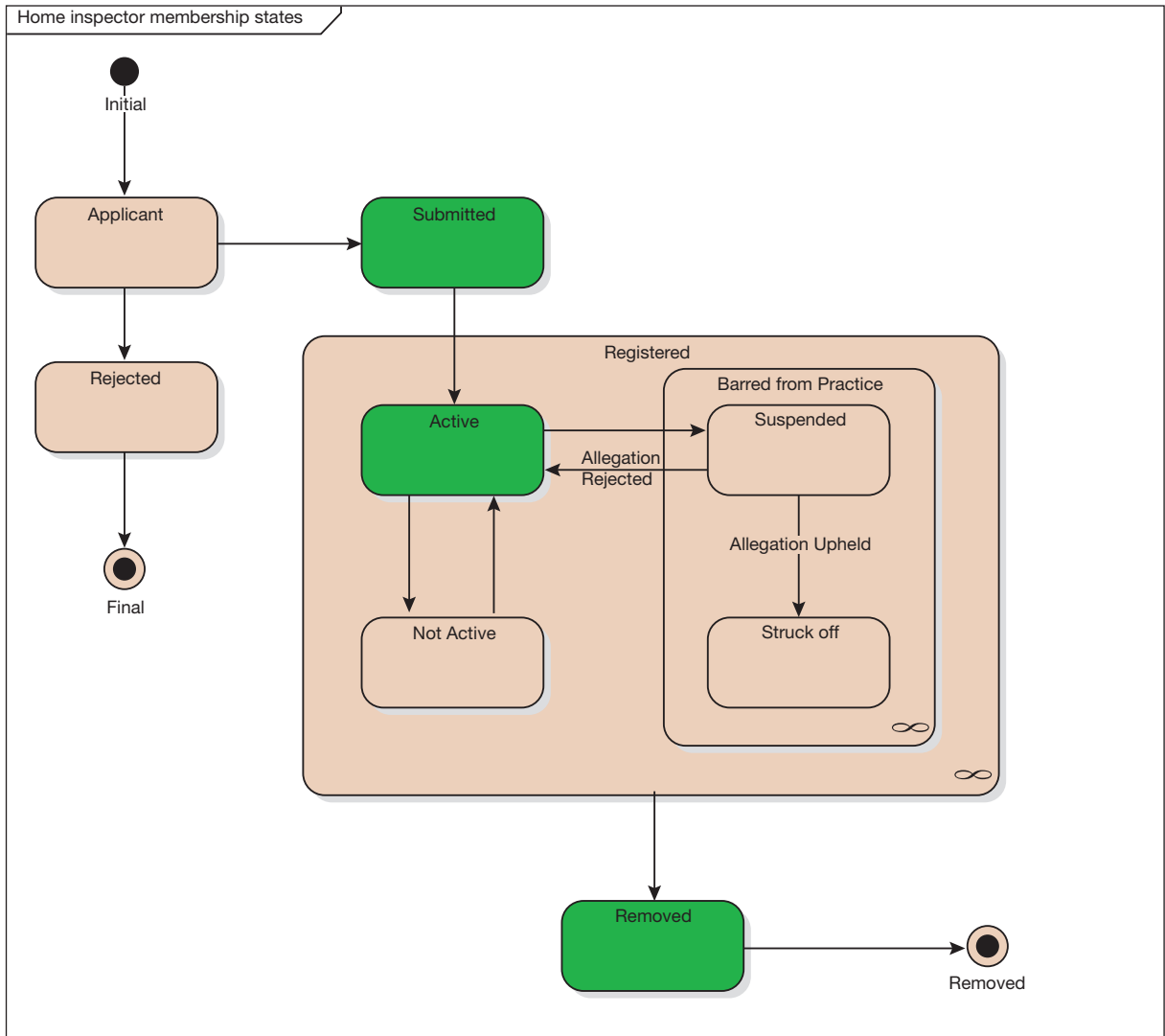
To ensure that Certification Schemes operate proper membership registration procedures and that the membership is renewed regularly to maintain its currency.

## *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure the following:

- 3.1 membership must not be offered to a Home Inspector until the registration process has been successfully completed and the qualification and ‘fit and proper’ Standards have been met (see ‘2: Home Inspector qualifications’ and ‘1: Determining whether a person is ‘fit and proper for membership’).
- 3.2 membership should be renewed at intervals of no more than three years and should be subject to confirmation that the ‘qualification’ and ‘fit and proper’ Standards continue to be met.
- 3.3 membership is maintained in the a public register of Home Inspectors held by the Certification Scheme in one of the following states:
  - membership – active;
  - membership – suspended;
  - membership – withdrawn; or
  - membership – not active.

Membership ‘not active’ applies to Home Inspectors whose membership has ceased as a result of resignation, retirement, lapsed membership, death or any unknown reason.



## Part 2 – Performance Standards

A Certification Scheme must:

- 3.4 Develop proper procedures to register and renew membership.
- 3.5 Keep full records of all applications, processes for membership and renewal of membership of the Certification Scheme.
- 3.6 Make records that relate to the monitoring of these Standards available to DCLG and provide any assistance requested. This requirement is described fully in ‘13: Governance’, but will include spot checks on the whole application evaluation system, on expulsions and on those rejections leading to appeal.
- 3.7 Include, in their annual reports, a formal statement of compliance with both the qualification and ‘fit and proper’ Standards. Information that relates to these Standards must be clearly separated from any that relates to, or includes, voluntary standards.

# Home Inspector compliance

## 4: Ensuring compliance with the Duties and Responsibilities of Home Inspectors

**This Standard defines:**

- **the Duties and Responsibilities of Home Inspectors;**
- **the minimum requirements both for Home Inspectors in undertaking their role and for Certification Schemes in managing conformity to the duties and responsibilities; and**
- **the co-ordination requirements to assist in managing conformity.**

### The overriding objective

To ensure that Home Inspectors comply with their Duties and Responsibilities, and that there are adequate compliance checks to protect and maintain the confidence of consumers and others relying on the work of Home Inspectors.

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure the following are adhered to.

- 4.1 Members must be made aware of and comply with their obligations in relation to the Duties and Responsibilities of Home Inspectors, published by DCLG (attached as Annex A of this Standard for reference).
- 4.2 Members must sign a declaration that they will abide by the Duties and Responsibilities of Home Inspectors and understand that failure to do so may lead to disciplinary action (see '6: Disciplinary process').
- 4.3 the Certification Scheme must establish the processes and procedures necessary to deal with the failure of members to comply with the Duties and Responsibilities:
  - 4.3.1 Put in place and operate a consumer complaints handling procedure (see '5: Handling consumer complaints').
  - 4.3.2 Put in place and operate procedures to discipline members (see 6: Disciplinary process).
  - 4.3.3 Put in place independent procedures for hearing appeals against the decisions of the Scheme and its processes (see '7: Registration and membership appeals').
  - 4.3.4 Ensure a default provision or equivalent legal arrangement exists (see '10: Default provision').

## ***Part 2 – Performance Standards***

A Certification Scheme must:

- 4.4 Maintain evidence that they have undertaken checks upon their Home Inspectors, their work and their fitness to practise. This to satisfy themselves that Home Inspectors are complying with their Duties and Responsibilities.
- 4.5 Make available, as part of their membership contract with their Home Inspectors, a copy of the Duties and Responsibilities document.
- 4.6 Maintain full and comprehensive records of all aspects of Home Inspector membership and ensure that these records are updated and subjected to satisfactory spot checking.
- 4.7 Design and implement a quality audit regime to include checks on:
  - 4.7.1 Home Inspector qualification and lifelong learning;
  - 4.7.2 the quality of work carried out by Home Inspectors; and
  - 4.7.3 the accuracy of Home Condition Reports.
- 4.8 Submit regular performance reporting information to DCLG, including previously agreed targets. In all cases, information supplied will refer to these Standards alone and not to any additional voluntary standards (see 14).
- 4.9 Make records that relate to the monitoring of these Standards available to DCLG and provide any assistance requested. This requirement will include spot checks on Home Inspector member records and Home Inspector checking procedures.
- 4.10 Include, in their annual reports, comprehensive details of the qualitative and quantitative aspects of membership, membership retention and membership withdrawal or suspension. Information that relates to these Standards must be clearly separated from any that relates to, or includes, voluntary standards (see 14).
- 4.11 Give other Certification Schemes, on request, any information that is appropriate to protect the public interest; in particular, the names of Home Inspectors whose membership has been suspended or withdrawn for breach of the Duties and Responsibilities of a Home Inspector. They must identify under which duty or responsibility the suspension or withdrawal has been made.

## *Annex A – Duties and Responsibilities of Home Inspectors*

### **1. Introduction**

- 1.1 This document is the Code of Practice ('the Code') for Home Inspectors.
- 1.2 The Code sets out the principles that must be followed and applied by all Home Inspectors.
- 1.3 The Code forms part of a wider package of registration and disciplinary information with which Home Inspectors must comply.

### **2. Purpose**

- 2.1 The purpose of this Code is to set out the rules and standards of conduct that are expected of Home Inspectors and to inform members of the public about the standards of conduct that they can expect from a Home Inspector.
- 2.2 This Code aims to promote:
  - 2.2.1 the best standards of practice by Home Inspectors; and
  - 2.2.2 confidence in the integrity of the Certification Scheme, Home Inspectors and the Home Condition Report.

### **3. Application**

- 3.1 Home Inspectors must ensure that they understand and comply with this Code and any accompanying guidance.
- 3.2 A failure to comply with the Standards set out in the Code or guidance will generally lead to disciplinary action being taken against a Home Inspector by their Certification Scheme.

### **4. Personal and Professional Standards**

- 4.1 Home Inspectors must at all times (whether inside or outside work):
  - 4.1.1 act with integrity;
  - 4.1.2 be honest and trustworthy;
  - 4.1.3 be open and transparent in their dealings;
  - 4.1.4 disclose to the Certification Scheme any or all of the following matters:
    - 4.1.4.1 that they have been charged or convicted of a criminal offence in the UK or elsewhere;
    - 4.1.4.2 that they have been referred for a disciplinary hearing by another Certification Scheme, professional body trade association or regulatory body, or other similar organisation;

- 4.1.4.3 that a disciplinary allegation has been found proved against them by another Certification Scheme, professional body trade association or regulatory body, or other similar organisation;
  - 4.1.4.4 the institution against them of bankruptcy or directors' disqualification order;
  - 4.1.4.5 the making of a bankruptcy or directors' disqualification proceeding; or
  - 4.1.4.6 if they enter into an individual voluntary arrangement with creditors;
  - 4.1.5 assist the Certification Scheme in any disciplinary inquiry involving another Home Inspector;
  - 4.1.6 recognise the limits of their professional competence;
  - 4.1.7 keep their professional knowledge and skills up to date;
  - 4.1.8 avoid abusing their position as a Home Inspector; and
  - 4.1.9 comply with the requirements of the Certification Schemes of which they are a member and their governing legislation.
- 4.2 A Home Inspector must not engage in conduct that:
- 4.2.1 damages the reputation of Home Inspectors;
  - 4.2.2 diminishes public confidence in the Certification Scheme, Home Inspectors or the Home Condition Report; or
  - 4.2.3 damages the trust placed in Home Inspectors by lenders and other professionals who may need to rely upon their work.
- 4.3 A Home Inspector must not exploit the vulnerability of consumers or take advantage of their lack of knowledge of the home buying and selling process.

## **5. Skills and ability**

- 5.1 Home Inspectors must:
- 5.1.1 only act if competent to do so;
  - 5.1.2 carry out their work with reasonable skill and care;
  - 5.1.3 maintain their professional knowledge and skill by participating in lifelong learning and recording the outcomes; and
  - 5.1.4 observe and keep up to date with laws and statutory codes of practice that affect their work.

## **6. Conflicts of interest**

- 6.1 A Home Inspector must at all times give an unbiased opinion.
- 6.2 A Home Inspector must not give or accept any inducement, gift or hospitality that may affect or may be seen to affect their judgement.
- 6.3 A Home Inspector must be satisfied that the seller is being or has been provided with written information concerning whether the Home Inspector has any personal or business relationship with any person involved in the sale of the property and that the seller will sign or has signed a declaration that they understand the implications of the information.
- 6.4 A Home Inspector must not prepare a Home Condition Report if to do so would cause a conflict with the interests of sellers.
- 6.5 If, in the course of preparing a Home Condition Report, a conflict with the interests of the seller or other professionals arises, the Home Inspector must return the instructions to prepare the Report.
- 6.6 If a risk of conflict arises, it must be managed in accordance with any guidance issued by the Certification Schemes.

## **7. Advertising**

- 7.1 Home Inspectors may only promote and advertise their services in a clear, honest and lawful manner.
- 7.2 Any advertisement placed by a Home Inspector must comply with statutory and national standards to ensure that all advertisements are legal, honest and truthful and that they are clearly identifiable as an advertisement.

## **8. Marketing**

- 8.1 Home Inspectors must operate under fair and honest sales practices.
- 8.2 Home Inspectors must not:
  - 8.2.1 engage in any commercial practices that are misleading or likely to mislead buyers, sellers or lenders;
  - 8.2.2 use physical force, harassment, coercion or undue influence;
  - 8.2.3 be party to charging fees that are discriminatory or excessive;
  - 8.2.4 exploit the trust vulnerability or lack of experience of buyers, sellers or lenders; or
  - 8.2.5 encourage or condone unsafe or harmful practices.

- 8.3 If Home Inspectors offer sellers or buyers other services and/or products, they must:
- 8.3.1 act lawfully and responsibly in sending sellers or buyers details of those services and/or products; and
  - 8.3.2 declare any financial benefit that they may receive as a result of sellers or buyers using those services and/or products.

## **9. Information for the seller**

- 9.1 A Home Inspector's offer, to sellers to perform services whether direct or through a third party, must be clear and truthful and contain all relevant pre-contractual information.
- 9.2 When offering to provide a service to produce a Home Condition Report, Home Inspectors must be satisfied that sellers are provided with details in writing of:
- 9.2.1 the terms, conditions and costs associated with instructing the Home Inspector;
  - 9.2.2 the key features of the Home Condition Report; their right to see any personal records Home Inspectors hold about them what use that may be made of the data collected by Home Inspectors;
  - 9.2.3 the fee for the work, including any tax and duties;
  - 9.2.4 how and when the Home Condition Report will be delivered;
  - 9.2.5 the existence and conditions of a right of withdrawal;
  - 9.2.6 the policy and procedure for cancellation of services and the payment of refunds;
  - 9.2.7 the complaint and redress procedures; and
  - 9.2.8 a reference to this Code.

## **10. Confidentiality**

- 10.1 Home Inspectors must explain to sellers that information about the completion of the Home Condition Report has to be placed on the Register of Home Condition Reports.
- 10.2 Home Inspectors must treat all sellers' personal information as private and confidential (even when they are no longer a customer of the Home Inspector).

10.3 Home Inspectors must not reveal any personal information about sellers unless:

10.3.1 the sellers have given permission for the information to be revealed;

10.3.2 the Home Inspector has to reveal the information by law; or

10.3.3 there is a 'common law' duty to the public to reveal the information.

10.4 Home Inspectors must notify sellers that their contact details may be used during the process for monitoring the compliance and performance of Home Inspectors.

## **11. Diversity**

11.1 Home Inspectors must not unlawfully or unjustifiably discriminate against any individual in their practice as Home Inspectors.

11.2 Home Inspectors must not discriminate against any individual on the basis of gender, race or disability or allow their views of the lifestyle, culture, belief, colour, gender, sexuality or age of others to prejudice their professional practice and relationships.

## **12. Insurance**

12.1 Home Inspectors must ensure that all Home Condition Reports undertaken by them are covered by adequate and appropriate indemnity insurance cover, as prescribed in the insurance standards adopted by Certification Schemes.

## **13. Complaints procedure**

13.1 Home Inspectors must participate in a complaints handling system as prescribed by the Certification Scheme.

13.2 Home Inspectors must ensure that:

13.2.1 complaints are initially acknowledged in writing, and the acknowledgement sets out a likely timescale for resolving the complaint;

13.2.2 there is a named individual who is responsible for complaints and who has the authority to resolve complaints, if appropriate; and

13.2.3 complainants are informed that if they want to take their complaint further, the complaint can be referred to a Certification Scheme complaints handling process.

## **14. Publicity**

Home Inspectors must make this Code available to a member of the public upon request.

## 5: Handling consumer complaints

### **This Standard defines:**

- **the requirements of Certification Schemes to handle all consumer complaints properly; and**
- **the consistent methodologies that Certification Schemes must adopt for ensuring that complaints are handled promptly and comprehensively.**

### The overriding objective

To ensure that all consumer complaints that relate to the work of their members are dealt with in a timely manner and in accordance with Scheme rules.

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure the following points are adhered to.

- 5.1 Home Inspectors who are members of the Certification Scheme must operate under their own or their employer's complaints handling process. This process must try to resolve consumer complaints first, before escalating them to a Certification Scheme in accordance with the requirements of the Certification Scheme and the Duties and Responsibilities of a Home Inspector.
- 5.2 The Certification Scheme must be notified of all complaints in writing.
- 5.3 The complete history of all complaints must be kept by their Home Inspectors within separate complaint history files. These records must be made available to the Certification Scheme upon request and the Scheme must have complete freedom to access complaint history files, whether the complaint is resolved or not.
- 5.4 All Home Inspectors must ensure that their complaints handling process incorporates a formal escalation procedure as defined by the Certification Scheme and that escalation is comprehensively reported in the complaint history file (see 5.7 and 5.10).
- 5.5 A complainant can request that their complaint is escalated to a Certification Scheme at any time.
- 5.6 All complaints received directly by the Certification Scheme are logged and passed to the relevant Home Inspector for resolution, unless:
  - they relate to criminal matters, in which case the police should be notified (see 5.11); or
  - they are of such a nature that it would be inappropriate to expect a resolution to be reached.
- 5.7 There will no cost to the consumer when a complaint is escalated to a Certification Scheme. An escalated complaint will be formally reviewed in such a way that no conflict of interest occurs.

- 5.8 The Certification Scheme operates any alternative dispute resolution practices that it considers appropriate to help resolve complaints.
- 5.9 The Certification Scheme has a formal relationship with an independent third party, which shall decide in the event that a complaint cannot be resolved by using the Certification Scheme's alternative dispute resolution processes.
- 5.10 The independent third party's decisions are binding on the Home Inspector, but not on the complainant.
- 5.11 The Certification Scheme should review resolved and unresolved complaints history files to ensure the separate governance of the complaints process.
- 5.12 The Scheme should operate the complaints process in accordance with the target performance service levels it agrees with DCLG. These targets will relate to the handling of consumer complaints at all levels, including adjudication/arbitration.
- 5.13 The Scheme should report complaints that involve apparent criminal activity to the police and make the relevant complaint history files available to the police.
- 5.14 The Scheme should consider referral of all complaints to its disciplinary process for evaluation (see '6: Disciplinary process').

## ***Part 2 – Performance Standards***

A Certification Scheme must:

- 5.15 Empower their independent, nominated third party to make the following decisions:
- 5.15.1 In cases where the allegation is that the technical competence of a Home Inspector has fallen below a reasonable standard, the nominated, independent third party should have the power to make either or all of the following orders:
- that the Home Inspector should pay a stated sum to compensate the complainant within a specified time period; and/or
  - that the Home Inspector is formally reported to the Certification Scheme disciplinary process.
- 5.15.2 In cases where the allegation is that the service provided by a Home Inspector has fallen below a reasonable standard, the nominated, independent third party should have the power to make the following order:
- that the Home Inspector must pay a stated sum in compensation to the complainant in respect of material loss, stress and inconvenience.
- 5.16 Make sure that consumers understand they are not deprived of their legal rights by participating in the Certification Scheme's consumer complaints process.

- 5.17 Keep informed of all unresolved complaints through their formal escalation process. Notifications should be logged and given a follow-up date in accordance with the agreed service-level target.
- 5.18 Review all escalated complaints routinely. Those that have been entirely resolved within the follow-up period require no further action, but those that are still outstanding should be the subject of investigation by the Certification Scheme.
- 5.19 Ensure that full and comprehensive records of the history of every complaint are held by the Home Inspector and that these records contain the information specified by the Certification Scheme.
- 5.20 Ensure that all escalated complaints are comprehensively recorded. Such records must include the records of how the complaint was initiated, as previously described.
- 5.21 Apply the Standards in a consistent, fair and open manner and comply fully with all relevant legislation, including that relating to discrimination, data protection and human rights.
- 5.22 Submit regular performance reporting information to DCLG, including previously agreed targets (see 14).
- 5.23 Make records that relate to monitoring these Standards available to DCLG, and provide any assistance requested. This requirement will include spot checks on the whole complaint process at all levels. The manner in which complaints have been resolved will be analysed, as will performance against service-level targets.
- 2.10 Include, in their annual reports, comprehensive details relating to the qualitative and quantitative aspects of complaint resolution. Information that relates to these Standards must be clearly separated from any that relates to, or includes, any voluntary standards (see 14).

## 6: Disciplinary process

**This Standard defines the requirements of an effective disciplinary process to deal with Home Inspectors who breach the Duties and Responsibilities of a Home Inspector.**

**It sets out the minimum requirements for ensuring that disciplinary processes are established and operated.**

### The overriding objective

To ensure a comprehensive procedure for dealing with all issues relating to Home Inspector discipline. This procedure should be supplied to all Home Inspectors together with the Duties and Responsibilities document, so that they are fully aware of the standards of professional conduct expected of them and the sanctions if these Standards are not met. See also '1: Determining whether a person is 'fit and proper' for Membership', '3: Home Inspector membership registration and renewals' and '7: Registration and membership appeals'.

## *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure the following points are adhered to.

- 6.1 Home Inspectors who are in breach of the Duties and Responsibilities should be referred for disciplinary action, in accordance with the disciplinary procedures.
- 6.2 Where appropriate Home Inspectors should be referred for disciplinary action if a complaint has been upheld, or as the result of an investigation, or the monitoring and auditing of the conduct or work of a Home Inspector.
- 6.3 Schemes should establish and publish the range of sanctions that can be applied when a Home Inspector is in breach of the Duties and Responsibilities.
- 6.4 An independent disciplinary panel should be formed to meet as and when this is required. The disciplinary process must include a reference to the disciplinary panel in the following circumstances:
  - if the disciplinary action requires it;
  - if there is a possibility of suspension or withdrawal of membership; or
  - if the Home Inspector requests it.
- 6.5 The disciplinary panel should operate under separate governance from the Certification Scheme (see 13). The disciplinary panel should comprise at least three people. One of the three should have relevant occupational knowledge of home inspection the other two should be lay people with no expertise in home inspection.
- 6.6 The disciplinary panel has the final power to determine all disciplinary matters relating to the Duties and Responsibilities of their Home Inspectors.
- 6.7 Disciplinary panel procedure rules should be established and published which include a right for Home Inspectors to appeal against the decision of a disciplinary panel (see '7: Registration and membership appeals').
- 6.8 Schemes should establish arrangements to enable the disciplinary panel to order the immediate suspension of membership in cases where the panel considers it necessary for the protection of the public, or in the public interest.
- 6.9 In exceptional circumstances (which should be evaluated by a suitably qualified solicitor or barrister), a disciplinary panel should be allowed to convene at very short notice to enable suspension to take place before the procedure in the disciplinary panel rules.
- 6.10 The disciplinary panel must review suspension orders at least every six months, to determine whether the suspension should remain in force.

## ***Part 2 – Performance Standards***

A Certification Scheme must:

6.11 Set up the disciplinary panel so that:

6.11.1 the Home Inspector has the right to attend and make representations at any hearing and has the right to full legal representation. All relevant documents should be made available to the Home Inspector for examination;

6.11.2 at least 28 days before a hearing (or sooner if agreed by the Certification Scheme and Home Inspector), the Home Inspector must have received:

- a notice informing them of the time and place of the hearing;
- a list of the allegations that the disciplinary panel will consider; and
- a copy of the information that the Certification Scheme will use at the hearing; and

6.11.3 the panel can impose a disciplinary tariff, which could include:

- issuing a formal warning against a Home Inspector;
- imposing certain conditions on the Home Inspector's membership of the Certification Scheme. This may include a requirement for the Home Inspector to undertake a period of retraining and possibly reassessment;
- issuing a fine or an order for costs; and/or
- suspending or withdrawing the Home Inspector's membership.

6.12 Maintain full, comprehensive and accurate records of the whole disciplinary process.

6.13 Formally advise Home Inspectors who are subject to a disciplinary case about the extent of the disciplinary panel's powers. Do not imply that it is in any way a court of law.

6.14 Apply the Standards in a consistent, fair and open manner. Comply with all relevant legislation, including that relating to discrimination, data protection and human rights.

6.15 Carry out disciplinary panel meetings in private, wherever possible, although provision should exist for public meetings if requested. Findings will be publicly available.

6.16 Submit regular performance reporting information to DCLG, including previously agreed targets. This information will include the total number of disciplinary cases heard in the reporting period, and an analysis of the awards made as a result of them. In all cases, information supplied will refer to these Standards alone and not to any additional voluntary standards.

- 6.17 Make records that relate to the monitoring of these Standards available to DCLG and provide any assistance requested. This requirement will include spot checks on the whole disciplinary process, on the accuracy of related records and on the number of disciplinary actions that have led to the appeal.
- 6.18 Include, in their annual reports, comprehensive details of the qualitative and quantitative aspects of the disciplinary process. Information that relates to these Standards must be clearly separated from any that relates to, or includes, voluntary standards (see 14).
- 6.19 Make available to other Certification Schemes the names of Home Inspectors whose membership has been suspended or withdrawn.

## 7: Registration and membership appeals

**A Certification Scheme is required under other Standards to ensure that Home Inspectors are ‘fit and proper’, qualified, and comply with the Duties and Responsibilities of a Home Inspector (‘1: Determining whether a people is ‘fit and proper’ for membership’) and to operate a disciplinary regime backed up by sanctions for Home Inspectors who do not comply with the rules (6: Disciplinary process).**

**To ensure that the disciplinary decisions of Certification Schemes comply with the principles of fairness and natural justice and the requirements of the Human Rights Act (1988), it is essential to have an independent appeals process where Home Inspectors can challenge the decisions of a Certification Scheme.**

**This Standard defines:**

- **the requirement to hold registers of members and to refuse and withdraw membership in appropriate cases; and**
- **the appropriate provision for handling registration and membership appeals.**

**It sets out the standards required of Certification Schemes to establish an independent process for considering and resolving registration and membership appeals.**

### The overriding objective

To provide a minimum appeals process to deal with all decisions made by a Certification Scheme which relate to Home Inspector membership, registration and compliance with Duties and Responsibilities, in the event that decisions are disputed or challenged.

This means of appeal, though organised by the Certification Scheme, must be demonstrably independent from it, (see also ‘1: Determining whether a person is ‘fit and proper’ for membership’ and ‘6: Disciplinary process’).

## ***Part 1 – Minimum Operational Standards***

A Certification Scheme must comply with the overriding objective and ensure the following points are adhered to.

- 7.1 They have a formal relationship with an appeals panel, operating under separate governance from the Certification Scheme (see 13). This must comprise at least three independently appointed persons. One of the three should have relevant occupational knowledge of home inspection: the other two should be lay people with no expertise in home inspection.
- 7.2 Establish and publish procedure rules for:
  - referring disputes to the appeals panel;
  - determining the outcomes; and
  - publishing these results.
- 7.3 Provide the Appeals Panel with all the information it needs to perform its duties, and maintain full and accurate records of all matters leading to each appeal.

## ***Part 2 – Performance Standards***

A Certification Scheme must:

- 7.4 Empower the appeals panel to:
  - 7.4.1 provide a 14-day period in which any appeal may be lodged;
  - 7.4.2 develop and publish rules on how the appeals panel operates, which include a description of its public nature and the background of its members and indicates its independence from the Certification Scheme;
  - 7.4.3 exercise the following powers in relation to appeals arising from a disciplinary hearing:
    - dismiss the appeal;
    - refer the case back to the Certification Scheme disciplinary process;
    - vary, substitute or quash any sanction imposed by the disciplinary process; and
    - make an order for costs.
  - 7.4.4 exercise the following powers in relation to appeals arising from refusal of the Certification Scheme to register applicants:
    - dismiss the appeal;
    - make the Certification Scheme register the applicant;

- refer the appeal back to the Certification Scheme for further consideration;
  - make an order for costs; and
- 7.4.5 maintain full and comprehensive records of the whole of the appeals process.
- 7.4.6 maintain a record all interviews or meetings that are associated with the appeals process.
- 7.4.7 apply the Standards in a consistent, fair and open manner, and comply with all relevant legislation, including that relating to discrimination, data protection and human rights; and
- 7.4.8 provide the Certification Scheme with comprehensive details of its findings, which will then form an integral part of the records of the Certification Scheme.
- 7.5 Submit regular performance information to DCLG, including previously agreed targets (see 14).
- 7.6 Make records that relate to the monitoring of these Standards available to DCLG, and provide any assistance requested. This requirement will include spot checks carried out on membership and registration appeals and the degree to which separate governance is evident.
- 7.7 Include, in their annual reports, comprehensive details relating to the qualitative aspects of the appeals process. Information that relates to these Standards must be clearly separated from any that relates to, or includes, voluntary standards.
- 7.8 Make available the names of Home Inspectors whose membership has been suspended or withdrawn, following appeal, to other Certification Schemes.

## 8: Lifelong learning

### **This Standard defines:**

- **lifelong learning requirements for Home Inspectors; and**
- **DCLG policy on the approval and ongoing operation of Certification Schemes.**

**It sets out the minimum standards that Certification Schemes must attain to ensure that its members maintain their knowledge and understanding.**

### The overriding objective

To ensure that all Home Inspectors undertake programmes of lifelong learning. To maintain the knowledge and understanding required by the National Occupational Standards, as a continuing condition of Scheme membership.

## ***Part 1 – Minimum Operational Standards***

A Certification Scheme must comply with the overriding objective and ensure the following:

- 8.1 Home Inspectors undertake and record lifelong learning of not less than 20 hours per year, as a mandatory requirement. This is a continuing condition of Scheme Membership. The Certification Scheme must keep records of members' involvement in the lifelong learning programmes.
- 8.2 Select an appropriate amount and type of lifelong learning Home Inspectors.
- 8.3 Measure the lifelong learning obligations against the National Occupational Standards by recording learning outcomes.
- 8.4 Give Home Inspectors the necessary support and advice on the requirements of lifelong learning to ensure that they maintain their level of competence in accordance with the National Occupational Standards.
- 8.5 Refer Home Inspectors who do not comply with the requirements for lifelong learning, or do not reach the continuing competence levels, to the disciplinary process.

## ***Part 2 – Performance Standards***

A Certification Scheme must:

- 8.6 Establish and operate a formal lifelong learning policy, so that all Home Inspectors are aware of their obligations and comply with them. This policy must help Home Inspectors to identify relevant learning requirements, ensure that outcomes are effectively recorded and satisfy the performance standards that Certification Schemes are recommended to provide. This includes:
  - 8.6.1 an online list of current issues on which Home Inspectors may need to focus their ongoing learning. This should be updated on a regular basis;
  - 8.6.2 a reminder flag system to warn Home Inspectors that their ongoing learning outcomes are not recorded (this should appear if no learning outcome was recorded for, say, three months);
  - 8.6.3 guidance on the number of hours of training likely to be required to maintain competence in particular issues;
  - 8.6.4 guidance on the relative weighting of structured learning that is needed to maintain competence against the National Occupational Standards. A suggested structural weighting is:
    - units 1, 2 and 3 – 10% each
    - units 4 and 5 – 70%.

8.6.5 Supply a template for Home Inspectors to complete, identifying:

- the activity;
- the method of learning;
- the time and date when it was undertaken;
- its value and achievement;
- a free-text space to add in comments or cross references;
- which Duty and Responsibility, National Occupational Standard or mandatory inspection and reporting requirement it fulfils.

8.7 Record full details of intended and actual lifelong learning activity for each Home Inspector in each individual's records.

8.8 Ensure that the Certification Scheme reviews each Home Inspector's lifelong learning record before renewing membership.

8.9 Carry out checks to ensure the quality of lifelong learning used by Home Inspectors.

8.10 Submit regular performance information to DCLG (see 14).

# Home Condition Report compliance

## 9: Insurance for Home Inspectors

**The Housing Act (2004) states that before approving a Certification Scheme the Secretary of State must be satisfied that the Scheme makes provision to ensure that Home Inspectors have suitable indemnity insurance for all Home Condition Reports.**

**This Standard defines the mandatory insurance requirements for all Home Inspection work carried out by Home Inspectors in accordance with Part 5 of the Housing Act (2004).**

**It sets out the minimum terms for indemnity insurance that must be applied to Certification Schemes.**

### The overriding objective

To ensure that all Home Condition Reports are covered by indemnity insurance, in order to protect the consumer.

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure that the following points are adhered to.

- 9.1 Only a member of a Certification Scheme is allowed to deliver a report to the Register of Home Condition Reports (explanatory note 9.12).
- 9.2 Every report prepared by a Home Inspector and submitted for entry on the Register of Home Condition Reports must be covered by valid indemnity insurance, which complies with the minimum terms described below (explanatory note 9.13).
- 9.3 All Home Inspectors must comply with 9.2 and make sure that all Home Condition Reports they submit via the Certification Scheme to the Register of Home Condition Reports are covered by indemnity insurance in accordance with the minimum terms. Indemnity insurance cover can be provided on either a 'per report' or an 'annual' or 'periodic' policy basis.
- 9.4 All Home Condition Reports must have indemnity cover for a minimum of six years from the completion date of the Report. Home Inspectors who have annual or periodic insurance must maintain indemnity insurance cover for six years after they have stopped trading as Home Inspectors (explanatory note 9.17).
- 9.5 A Scheme may provide a claims handling service on behalf of consumers who have claims against a Home Inspector's policy of insurance under the Third Party Rights Against Insurers Act (1930).

9.6 The insurance complies with the following minimum terms.

9.6.1 The policy covers all potential civil liabilities covered by the terms upon which the Home Condition Report is provided, save for those for which cover is not provided (see list in 9.6.2) that could arise from the preparation and content of a Home Condition Report and any award made by an independent third party properly appointed by the Certification Scheme to determine claims against Home Inspectors. (explanatory note 9.14, see also 5: Handling consumer complaints and 6: Disciplinary process.)

9.6.2 The insurance may exclude:

- employer's liability;
- employment disputes;
- transport or property owned by the insured;
- nuclear;
- other more specific policies;
- previous claims experience;
- supply of goods;
- trading losses;
- claims brought in the USA or Canada;
- war risks and terrorism;
- fines and Penalties;
- costs of the third party providing a determination; and
- bodily injury and consequential losses only arising from a claim involving asbestos.

9.6.3 The minimum limit of indemnity is £1,000,000 each and every claim or £1,000,000 in the aggregate with unlimited reinstatements.

9.6.4 The costs and expenses of defending a claim are in addition to the limit of indemnity.

- 9.6.5 For the purposes of providing consumer protection, where the claimant is a natural person and insurers have agreed that the insured carries an excess above £2,500, the insurer must pay any shortfall between £2,500 and the higher excess, in the event that the insured does not pay. The benefit of this term is limited to natural persons only. Nothing in this clause shall prevent the Insurer recovering such payment from the Insured.
- 9.6.6 To comply with 9.4 above, all ‘per report’ policies must be valid for at least six years and automatic run-off cover for annual and periodic policies must be available for a minimum of six years. The annual or periodic contract must include the first two years of the six-year period immediately following the cessation of the annual or periodic cover or cessation of the last inspection, whichever is the sooner. Thereafter the insurer may agree such premiums as they consider appropriate.
- 9.6.7 The insurer is not entitled to avoid or repudiate the insurance without limitation on the grounds of innocent non-disclosure or misrepresentation. The insurance may exclude liability of the insurer to indemnify any particular person to the extent that any civil liability or related defence costs arise from dishonesty or a fraudulent act or omission committed or condoned by that person.
- 9.6.8 The insurance includes innocent partner dishonesty, to the extent that the claim arises by reason of and was solely and directly caused by the actual or allegedly dishonest and/or fraudulent act(s) of any past or present partner, director, consultant or employee of the practice or any of them (whether committed alone or in collusion with others) which cause any client of the insured to suffer loss. The provision does extend to include innocent partner dishonesty that is not disclosed on discovery.
- 9.6.9 The insurance provides that, in the event of a dispute about cover for a claim, a properly qualified independent third party (see 9.6.1.above) can direct the insurer to defend and if appropriate pay the claimant pending resolution of the dispute. Such direction will only be given where all reasonable steps have been taken to resolve the dispute. Disputes concerning non professional indemnity (See Explanatory Note 9.14 – service claims) are not provided for in this term.
- 9.6.10 The insurer agrees that the Certification Scheme may provide a claims handling service on behalf of consumers who have claims under a Home Inspectors policy of insurance under the Third Party Rights Against Insurers Act (1930).
- 9.6.11 The insurance provides that it can only be cancelled upon written notice and acknowledgement of the insurer’s intention being given to the Certification Scheme. Cancellation must not affect the rights and obligations of the parties accrued under the insurance prior to the date of cancellation and the insurance cannot be cancelled or voided retrospectively.

- 9.6.12 The insurance provided must be the first respondent to any indemnity insurance claim and not defer to other policies in the first instance.
- 9.6.13 All commercial insurers should be approved by the Financial Services Authority (FSA). Insurance provision made other than through the commercial insurance market that has FSA approval must be covered by adequate capital to the satisfaction of the Certification Scheme following a review by and advice from a suitably qualified and indemnified insurance advisor.
- 9.6.14 Each commercial insurer and capital provider must enter into an authorised insurer agreement with a Certification Scheme which sets out their contractual obligations under the Insurance Standards for Home Inspectors.

## ***Part 2 – Performance Standards***

A Certification Scheme must provide evidence that it:

- 9.7 maintains a list of insurers who comply with the minimum terms and records and show that authorised insurer agreements are in force;
- 9.8 carries out random audits of policies to ensure that the minimum terms are being maintained;
- 9.9 checks that valid indemnity insurance is provided for all Home Condition Reports that are submitted for entry in the Register of Home Condition Reports; and
- 9.10 undertakes regular audits of Home Inspectors insurance to ensure that the insurance information provided is up to date and that the insurance remains valid (see 14).

## ***Part 3 – Co-ordination Standards***

- 9.11 A Certification Scheme must inform other Certification Schemes if a Home Inspector member is suspended or withdrawn for a breach of Duties and Responsibility, namely failure to ‘ensure that all Home Condition Reports undertaken by them are covered by adequate and appropriate indemnity insurance cover’. (See Annex A ‘Duties and Responsibilities of Home Inspectors’ 12.1) This is to protect consumers and is in the best interests of all Certification Schemes.

## ***Part 4 – Explanatory notes of interest to insurers and others (forming no mandatory part of this Standard)***

- 9.12 To become a member of a Certification Scheme, candidates will need to demonstrate their competence by having an approved qualification in Home Inspection and demonstrating that they are a ‘fit and proper person’, (see ‘2: HI qualifications’ and 1: Determining whether a person is ‘fit and proper’ for membership).

Ongoing membership of the Certification Scheme will be managed through quality assurance related to the Standards. The professional records of all Home Inspectors, their conduct, lifelong learning, claims, complaints and competence must be recorded along with all reports. This should help identify risk and claims trends and will enable the Certification Scheme to suspend or remove Home Inspectors from the role, if they fail to maintain the National Occupational Standards or breach other terms of their membership of the Scheme. The Home Condition Report is a new electronically produced report and its storage and use are designed to be secure.

- 9.13 A valid Home Condition Report is one that has been submitted for entry on the Register of Home Condition Reports. A report that has not been submitted for entry on the Register is not referred to as a Home Condition Report. A condition of entry to the Register is that there is indemnity insurance for the report. If insurers cancel a policy it is essential that the Certification Scheme is informed (9.6.11).
- 9.14 Certification Schemes must operate a complaints handling process, to ensure that complaints and claims by consumers are dealt with efficiently. This may involve using properly qualified independent third parties. While the third party may deal with complaints as well as claims, this Standard only refers to claims. Service complaints are not covered by indemnity insurance.
- 9.15 Indemnity insurance cover can be provided on either a per report basis or on an annual or periodic policy basis (as referred to in Part 1 – Minimum Operational Standards, clause 1.4). Annual or periodic policies may be arranged exclusively for Home Inspection activities, or in the form of an endorsement that is attached to a policy covering a firm's wider professional activities. The terms of this endorsement will then override the other terms and conditions of the policy should the policy be narrower than the minimum terms.
- 9.16 Certification Scheme Standards must include a default provision to deal with a limited number of events where Home Inspectors fail to pay. This may extend the protection beyond the minimum terms provided by the indemnity insurance.

The purpose of the Standard concerning uninsured excess is to limit the exposure of any default provision operated by a Certification Scheme in cases where insurers have allowed the insured to take an excess above £2,500 for each and every claim.

- 9.17 Home Inspectors are obliged as part of their Duties and Responsibilities to maintain 'run off' cover for a minimum period of six years for their work as a Home Inspector. Home Inspectors may pass the liability to an insured successor, as long as the insured successor is a Member of a Certification Scheme.

## 10: Default provision

**The Housing Act (2004) requires that all of the work of Home Inspectors is covered by indemnity insurance. It is common for such insurance to be subject to an excess paid personally by the insured person.**

**There are other limited circumstances in which an insurer may void a policy as a result of the conduct of a Home Inspector. This may mean that Home Inspectors have to pay part of any claim from their own resources.**

**To protect consumers in cases where Home Inspectors fail to pay a properly determined award or any part thereof, the Certification Scheme Standards require that a default provision is developed.**

**This Standard defines the default provision that Certification Schemes must develop to ensure that consumers are protected if Home Inspectors fail to award payment or part payment, as ordered by the Scheme itself, a properly appointed independent third party, an arbitrator or the courts.**

**It sets out the minimum terms that Certification Schemes must apply to indemnity insurance.**

### The overriding objective

To ensure that a default provision is developed to provide consumer protection in cases where Home Inspectors fail to pay consumers a properly determined award. (See 5: Handling consumer complaints, 6: Disciplinary process, and 9: Insurance for Home Inspectors).

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure the following points are adhered to.

- 10.1 The Certification Scheme must develop a fund with a provider for cases where a Home Inspector defaults in paying compensation to a consumer meaning a 'natural person'. The fund must be ring-fenced (or some other legally enforceable arrangement) from the Certification Scheme.
- 10.2 The Certification Scheme must establish a set of criteria to identify the circumstances under which a payment should be made from the fund/legal arrangement. (See information note 3.1)
- 10.3 The Certification Scheme must establish a formal, fully paid-up, contractual relationship with an insurance company or other financial organisation if they are providing this cover. The contract should relate specifically to the requirements of this Standard. The management of any fund within the Certification Scheme must show separate governance from the management of the Scheme. The fund must be subject to separate audit provisions.

## ***Part 2 – Performance Standards***

A Certification Scheme must:

- 10.4 Maintain a full and comprehensive record of all circumstances where a payment is sought from the fund or provider.
- 10.5 Ensure that payments made from the fund or provider are properly accounted, and that the person who receives the payments formally acknowledges their receipt.
- 10.6 Ensure that any fund is managed in such a way as to maximise the balances in the fund, while maintaining absolute financial prudence. Any legal arrangement with a provider must specify that premiums or managed funds should not be subject to any speculative risk.
- 10.7 Submit regular performance reporting information to DCLG, including previously agreed targets (see 14). This information will include the nature of the default fund (or legal arrangement) with a provider, the state of funding, and the number and size of claims paid during the reporting period. In all cases information supplied will only refer to these Standards, and not to any additional voluntary ones.
- 10.8 Make records that relate to monitoring these Standards available to DCLG, and provides any assistance requested. This requirement will include spot checks on how claims against the fund have been managed, and the financial separation of any fund or legal arrangement from the Certification Scheme.
- 10.9 Include comprehensive details in its annual reports of the type of fund or legal arrangement in place, its balance or coverage total, and the scale of claims paid from it. Information that relates to these Standards must be clearly separated from any that relates to, or includes, voluntary Standards (see 14).
- 10.10 Make the names of Home Inspectors who have defaulted on their financial obligations available to other Certification Schemes.

## ***Part 3 – Explanatory notes***

- 10.11 Certification Schemes determine the criteria for making payments from the fund to consumers, who for this purpose may be considered by the Schemes as ‘natural people’, Commonly payments will be made when a Home Inspector:
  - 10.11.1 becomes insolvent;
  - 10.11.2 fails to pay the uninsured excess on the insurance policy (see 9: Insurance for Home Inspectors requiring insurers to provide cover down to £2,500 in such circumstances);
  - 10.11.3 has their insurance voided by the insurer; or
  - 10.11.4 fails to maintain ‘run off’ cover.

DCLG does not require that the criteria should extend to include the failure of an insurance company or provider.

## 11: Home Condition Report

**The Home Condition Report is a mandatory requirement in a Home Information Pack. It is a standard format, suitable for all properties, contains mandatory information and must be fully completed by a Home Inspector who is a member of a Certification Scheme.**

**Parts of the Report may be used by lenders to assist in their secured lending valuation, although the Report does not itself contain a valuation. These parts use data fields and text that cannot be changed by the Home Inspector. Other parts of the Report can make use of recommended text and/or free text to suit the requirements of the property to which it refers.**

**This Standard defines:**

- **DCLG policy for the approval and ongoing operation of Certification Schemes;**
- **the form content and availability of the Report; and**
- **the manner in which the Report must be completed, entered on registers and used.**

**It sets out the minimum requirements for a Home Condition Report.**

**The overriding objective**

To ensure that:

- the Home Condition Report meets the criteria required for it to be valid;
- the Report is accessible to regulated users;
- regulated users are capable of operating to these minimum Standards; and
- Home Inspectors fulfil their obligations.

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and:

- 11.1 make sure that the Home Condition Report is fully completed by a Home Inspector who is a Member of a Certification Scheme;
- 11.2 make sure that the Report is completed in the format contained in the Technical Standards;
- 11.3 make sure that the Home Condition Report is prepared using the mandatory text (see Technical Standards);

- 11.4 make sure that the Report is prepared in accordance with the inspection and reporting requirements for Home Inspectors (see 12: Inspection and reporting requirements);
- 11.5 make sure that the Report is produced electronically in compliance with the Technical Standards;
- 11.6 make sure that the Report contains an Energy Performance Certificate that is produced using software approved by BRE/Defra and incorporates the current version at the time of production of the Reduced Data SAP (RDSAP);
- 11.7 ensure the Report is covered by a policy of insurance in accordance with the Insurance Standards (see 9);
- 11.8 enter the Report on the local Home Condition Report register;
- 11.9 submit the Report for entry to the Register of Home Condition Reports along with the confirmation of insurance;
- 11.10 ensure that the Report complies with Standards 11.1–11.9 otherwise it is not valid;
- 11.11 make the Report available on the local Home Condition Report Register so that users can access it in accordance with regulations made under the Housing Act (2004);
- 11.12 register the Report in its local Register of Home Condition Reports for a period of not less than 15 years, guaranteeing accessibility for the same period;
- 11.13 keep all the information in the local Register of Home Condition Reports up to date, including the various states of the Report (see explanatory note);
- 11.14 make the Report accessible to users as defined in the regulations (Home Condition Report index information is to be provided to the Home Condition Report Operators portal service); and
- 11.15 submit the Report for entry on the Register of Home Condition Reports and ensure the Report is of suitable quality.

## ***Part 2 – Performance Standards***

A Certification Scheme must:

- 11.16 Establish and operate a local Register of Home Condition Reports, to ensure that all required information is registered and kept secure.
- 11.17 Check and audit its local Register of Home Condition Reports routinely to determine that there is no corruption or unauthorised amendment to Report information.

- 11.18 Maintain full and comprehensive statistical information about the total registration process.
- 11.19 Submit regular performance reporting information to DCLG, including previously agreed targets (see 14).
- 11.20 Make its local Register available to DCLG to be audited, which may include spot checks on the completeness and accuracy of Home Condition Reports, and the reasons behind refusals to lodge submitted Reports. DCLG will audit the security system governing both the entry and editing of information on the local Register.

### *Part 3 – Co-ordination Standards*

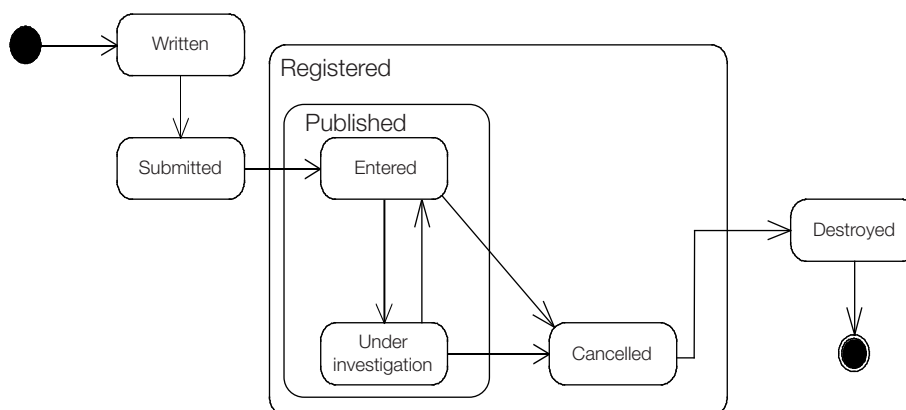
Certification Schemes must:

- 11.21 provide data to any other Certification Scheme that requests it, in cases where Home Condition Reports have been prepared fraudulently or negligently, or if information is required that is relevant to a disciplinary case brought against the Home Inspector by the other Certification Scheme.

### *Part 4 – Explanatory notes*

- 11.22 This section describes the states of a Home Condition Report. ‘Submitted’ and ‘Destroyed’ are not registered states, while ‘Entered’, ‘Under investigation’ and ‘Cancelled’ are, as shown below:

#### Home Condition Report state chart



#### **‘Submitted’**

This is when a Home Condition Report, submitted by a Certification Scheme for entry in the Register of Home Condition Reports, satisfies Minimum Operational Standards 1.1–1.8. At this point it is not yet a valid Report.

### **‘Entered’**

This is when a Home Condition Report has been submitted for entry on the Register of Home Condition Reports and satisfies Minimum Operational Standards 1.1–1.9.

A Report is entered when:

- it has been lodged on the Home Condition Report Register and a record has been created; or
- it was previously entered, but had been reclassified as ‘Under investigation’ and is now subsequently reinstated.

NOTE: only ‘Entered’ Reports can be lodged in local Home Condition Report Registers for retrieval.

### **‘Under investigation’**

A Home Condition Report may be moved from its ‘Entered’ state to ‘Under investigation’ at the request of a Certification Scheme (usually in response to a consumer complaint or during the period of a formal enquiry).

A Report may be reinstated to ‘Entered’ state at the request of the Certification Scheme at the conclusion of an investigation or formal enquiry.

### **‘Cancelled’**

A Home Condition Report may be cancelled at the request of a Certification Scheme following an investigation.

### **‘Destroyed’**

A Home Condition Report must be kept for a minimum of 15 years before it can be destroyed.

## 12: Inspection and reporting requirements

**The Housing Act (2004) Part 5 Section 164(5)(a) of the Housing Act (2004) requires that before approving a Certification Scheme, the Secretary of State must be satisfied that the Scheme contains appropriate provision to ensure Home Condition Reports are properly prepared and provided.**

**This Standard defines what is required to complete a Home Condition Report, based on the National Occupational Standards.**

**It sets out what the Home Inspectors are required to do to carry out the Home Condition Report consistently and correctly.**

### The overriding objective

To ensure that the practices adopted by Home Inspectors comply with the inspection and reporting requirements and are applied in a consistent manner.

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and:

- 12.1 check that Home Inspectors carry out their work in accordance with the mandatory part of the inspection and reporting requirements, published by DCLG (see 12: Technical Standards: Inspection and reporting requirements);
- 12.2 monitor regularly the practices adopted by Home Inspectors, to ensure that they comply with the requirements; and
- 12.3 take disciplinary action against Home Inspectors who don't conform to the inspection and reporting requirements.

### *Part 2 – Performance Standards*

A Certification Scheme must:

- 12.4 Carry out regular checks, related to the inspection and reporting requirements, on the work and performance of its Home Inspectors.
- 12.5 Maintain comprehensive records of the results of the checks and any subsequent disciplinary action.
- 12.6 Establish reference criteria for disciplinary action related to a failure to conform to the requirements.

The Scheme must also publish the results of this checking process in its annual report (see 14).

## 13: Governance

**This Standard defines what is required of Certification Schemes to ensure separate governance of operations.**

### The overriding objective

To ensure that Certification Schemes register Home Inspectors in accordance with the Housing Act (2004), without any conflicts of interest – real or perceived – with the host organisations that have created them. Certification Schemes must demonstrate organisational separation from their host organisations, which may be commercial entities, not-for-profit companies or professional institutions.

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure the following points are adhered to.

- 13.1 Operate as a clearly defined and wholly separate organisational and financial entity within the host, so that it cannot be confused with the host or with any of its activities.
- 13.2 Have a separate mix of senior management from that of the host, with its most senior manager playing no part in the management or direction of the host.
- 13.3 Define formally if there are any facilities, staff or other assets shared with the host.
- 13.4 Have full representation at any meetings held by the host where issues related to the Certification Scheme are discussed. Ensure that if a conflict of interest arises between Scheme and host there is a formal process in place to escalate this to senior management.
- 13.5 Have an independent accounting structure from the host, enabling a separate audit to take place if necessary. Put all receipts and payments related to the Certification Scheme through a different bank account from the host's.
- 13.6 Define staff arrangements clearly if staff at any level are shared with the host, for example how they are employed, their Duties and Responsibilities, remuneration, etc.
- 13.7 Maintain completely separate records from those of the host, with special reference to registration, membership and complaints/disciplinary data. Maintain separate Home Inspector personal records and a separate Home Condition Report register.
- 13.8 Have a formal policy with the host on matters such as management and operating fees and charges, cross-charged overheads, and balance sheet transactions.

## *Part 2 – Performance Standards*

A Certification Scheme must:

- 13.9 Demonstrate evidence of separate governance at all times, both internally and in its external dealings or transactions.
- 13.10 Maintain full and accurate records related to all Membership and financial issues, in such a way that the overall viability can be readily accessed internally and by DCLG.
- 13.11 Ensure that separate governance is directed towards the proper operation of the Scheme in accordance with published criteria and Standards.
- 13.12 Make records that relate to monitoring these Standards available to DCLG and provides any assistance requested.
- 13.13 Include in its annual report details of the organisation and operational structures of the Scheme, demonstrating continuing separate governance. Information that relates to these Standards must be clearly separated from any that relates to, or includes, voluntary Standards.

## **14: Certification Scheme performance reporting**

**This Standard defines the requirements of Certification Schemes to evaluate and report on their performance.**

### **The overriding objective**

To ensure that Certification Schemes demonstrate their continual conformance to the Business Standards by evaluating and reporting on their operating performance, in a manner approved by DCLG.

### *Part 1 – Minimum Operational Standards*

A Certification Scheme must comply with the overriding objective and ensure the following points are adhered to.

- 14.1 The requirements of this Standard, as applicable to each of the Certification Scheme Standards (see Appendix 1), are incorporated into a formal procedure. The formal procedure can be combined, if necessary, with any additional monitoring requirements that may from time to time be required by DCLG to provide assurance that the Standards are being met.
- 14.2 Ensure that the base information, from which all monitoring and reporting data is composed or interpreted, is related only to the Certification Scheme itself, and is not directly affected in any way by the operation of the host (see 13: Governance).
- 14.3 Define, in its submission for approval, the assessment and reporting processes it will employ to demonstrate that the Standards are being met.

- 14.4 To demonstrate reliability, all information provided under this Standard must be produced in accordance with independently verified procedures.
- 14.5 Identify, in its submission for approval, a suitably qualified and relevant scheme of verification that will be wholly independent of the Certification Scheme and its host.
- 14.6 The body operating the independent scheme of verification will be required to report to DCLG providing:
  - 14.6.1 verification of the methods and procedures to be used to produce monitoring and reporting information; and
  - 14.6.2 confirmation that the basis and content of reports are accurate, and appropriate to the level of confidence required by DCLG.
- 14.7 Agree the form, content and frequency of reports to be submitted to DCLG, which are to contain, as a minimum, the information set out in this Standard, (see Appendix 2).
- 14.8 Agree with DCLG the nature of the reporting information to be presented by it at the regular meetings required, (see Constitutional Criteria 4d). This information must be the same as, or directly related to, the information contained within the regular reports, (see 1.7 above), to ensure consistency of interpretation.
- 14.9 Agree with DCLG the performance information to be provided in its Annual Report, (see Constitutional Criteria 4c). This information must be directly related to that contained within the regular reports, (see 1.7 above, and Appendix 3).
- 14.10 Ensure that the statistical or written sources of all monitoring and reporting information are in a form consistent with the audit requirements of DCLG.

## ***Part 2 – Performance Standards***

The Standards require that Certification Schemes:

- 14.11 Ensure that their internal record systems, databases, etc. can provide both the minimum reporting information required (see 2.5), and that required for the compilation of the Annual Report (see 2.6).
- 14.12 Define the process by which statistical information is to be gathered and generated. This process is to be subject to independent verification during Certification Scheme operation.
- 14.13 Ensure that the monitoring and reporting process produces the required minimum information for all those areas defined in Appendix 1, and that this information is in accordance with the confidence levels set down by DCLG, and that the approved scheme of independent verification is in place.
- 14.14 Ensure that all sources of information are suitable and available for any audit undertaken by the DCLG, and provide amplification of reported data, where requested.

- 14.15 Produce the minimum regular reporting information shown in Appendix 2, in accordance with the frequencies indicated.
- 14.16 Facilitate the production of a formal Annual Report not later than six months after the end of its financial year, or the financial year of the host owning it. The basic information to be contained within the Annual Report is shown in Appendix 3.

### *Part 3 – Appendices*

**Appendix 1** relates each of the required minimum acceptable Certification Scheme performance standards to the individual Business Standards.

**Appendix 2** indicates the minimum reporting information required by the DCLG from each Business Standard. In many cases, the information required from each Standard overlaps, and is therefore combined.

**Appendix 3** indicates the minimum information requirement to be published in the Annual Report.

## APPENDIX 1A

### HOME CONDITION REPORT STANDARDS

<b>Sect Ref.</b>	<b>Area to be Monitored</b>	<b>Desired outcome</b>	<b>Minimum acceptable CS Performance Standards</b>
1.4	that HCRs are in standard format, and prepared in accordance with the inspection and reporting requirements	to ensure that those who depend upon HCRs can be assured of constant format, content and therefore constant interpretation	to ensure that all HCRs lodged are accurate and reliable, the Certification Scheme shall operate an independently verified assessment process that gives 95% certainty that all HCRs are in the correct format and have been prepared in accordance with the inspection and reporting requirements
1.7	the HCR being covered by a policy of insurance in accordance with insurance standards	to ensure proper protection of direct consumers, (and indirect users), of HCRs lodged	to ensure that 100% of all lodged HCRs are validly insured, the Certification Scheme shall operate an independently verified assessment process that gives 95% certainty that all HCRs are properly insured, and the details of this insurance are present on file
2.1 2.2	establish and operate a local Register of HCRs, and monitor it to ensure that it is not corrupted etc.	to ensure the reliability of the local Register	to ensure that the established Register is securely maintained, and is non-accessible to unauthorised access, the CS shall undertake an independently verified quarterly review of the security of the Register. This review to give a 95% security that the system is secure.
2.3 2.5	full statistical information should be maintained of the total lodgement process	to enable the CS and DCLG to evaluate trends in lodgement, unacceptable HCRs, and lodgement revenues	the CS shall carry out comprehensive statistical analysis upon lodged HCRs, to provide required monitoring information. To ensure the validity of these statistics, and the inferences drawn from them, the /CS shall operate an independently verified assessment process that gives 95% certainty of the accuracy of these statistics.

## APPENDIX 1B

### DUTIES AND RESPONSIBILITIES OF HIs

Sect Ref.	Area to be Monitored	Desired outcome	Minimum acceptable CS Performance Standards
1.2	HIs declarations of their acceptance of CS D and R rules	HI signed declaration is the key contractual relationship between HI and CS, that determines quality of HI performance	to ensure that all member HIs have signed the declaration, and that it is lodged in their individual files, the CS shall operate an independently verified assessment process that gives 95% certainty that all HIs have duly signed, and the evidence is correctly stored.
2.1 part 2.4	CS must evidence that they have undertaken checks on their HIs work, fitness to practice and their compliance with the Duties and Responsibilities Standard	<p>to maintain consumer confidence in the whole HI process</p> <p>to ensure that HIs work is at a high and constant standard, (including the proper and accurate recording of work on site)</p> <p>to ensure that the HCRs produced and logged are accurate and complete, thus ensuring consumer confidence in the process</p>	<p>to ensure a satisfactory level of customer satisfaction with the overall conduct of HIs, and their work, the CS shall operate an independently verified assessment process that gives 95% certainty that HIs have undertaken their work in accordance with these Standards, and the Registration Standard.</p> <p>to ensure that 95% of all HI records meet the specifications set down by the CS, and by the Inspection and Reporting and HCR Standard, the CS shall operate an independently verified assessment process that gives 95% certainty that HI records comply with these Standards and are properly recorded and accessible</p> <p>to ensure that 95% of all lodged HCRs are satisfactory, in terms of the specification set down in Standards, and by the CS itself, the CS shall operate an independently verified assessment process that gives 95% certainty that HCRs produced comply with the Standards and are properly registered and accessible</p>

<b>Sect Ref.</b>	<b>Area to be Monitored</b>	<b>Desired outcome</b>	<b>Minimum acceptable CS Performance Standards</b>
2.3	maintain full and comprehensive records of all aspects of HI membership, and ensure that they are updated and checked	evaluation of HI performance, and compliance with Fit and Proper Standard is dependent on accurate and formal records.	to ensure that comprehensive, complete, and regularly updated records of all HIs are maintained by the CS, it shall operate an independently verified assessment process that gives 95% certainty that all records are accurate and correctly stored.
part 2.4	design and implement a quality audit regime regarding qualification and lifelong learning	<p>to ensure that all their HIs are properly qualified, and continue to be so</p> <p>to check that the HI qualification adopted is in accordance with Standards</p>	to ensure that all HIs are initially, and remain properly qualified by way of Lifelong Learning, the CS shall operate an independently verified assessment process that gives 95% certainty that HIs are always properly qualified, and that learning outcomes are appropriate to their Standards.

## APPENDIX 1C

### CONSUMER COMPLAINTS

<b>Sect Ref.</b>	<b>Area to be Monitored</b>	<b>Desired outcome</b>	<b>Minimum acceptable CS Performance Standards</b>
1.1 1.3 2.5	HIs are responsible for the resolution of Consumer Complaints wherever possible, without escalation to their Cs  that HIs properly record all complaints, and their history	to ensure that Consumer Complaints are resolved by those directly involved, as rapidly as possible, and to ensure full and correct recording of them	to ensure that all Consumer Complaints, of whatever type, have been properly recorded and dealt with at individual HI level, the CS shall operate an independently verified assessment process that gives 95% certainty that all complaints have been processed in accordance with both this Standard, and internal CS rules
1.4 2.3	HIs to send unresolved Consumer Complaints to their CS  via their formal escalation procedure all complaints unresolved by HI's to be notified to their CS	to ensure that difficult complaints are resolved without further delay whenever possible	to ensure that all Consumer Complaints escalated from the HI are formally recorded by the CS, and evaluated at senior level, with a view to resolving them without further escalation and delay, the CS shall operate an independently verified assessment process that gives 95% certainty that all complaints have been processed in accordance with both this Standard, and internal CS rules
1.9	that the CS has a formal arrangement with an Independent Third Party who can adjudicate unresolved complaints	to ensure that the interests of the consumer are fully protected, if the HI and CS cannot effect resolution of a complaint	to ensure that a written arrangement (contract) between the CS and the Independent Third Party is in place, and that it is wholly relevant, the CS shall undertake an independently verified six monthly review of the arrangement. This review to give a 95% certainty that both the third party, and the covering arrangement are satisfactory

<b>Sect Ref.</b>	<b>Area to be Monitored</b>	<b>Desired outcome</b>	<b>Minimum acceptable CS Performance Standards</b>
2.1	that the Independent Third Party is empowered to carry out all relevant duties	to ensure that consumers and HIs are fully aware of the powers, and limitations to the powers of the Independent Third Party	to ensure that the arrangement (contract) between the CS and the independent third party contains a written constitution and powers of the third party, and that these matters are still relevant, the CS shall undertake an independently verified six monthly review of the arrangement. This review to give a 95% certainty that the arrangement is unambiguous, and properly specified in terms of its operations and powers, and that the constitution and powers are fully accessible
2.8	performance reporting regarding Consumer Complaints	to enable the CS and DCLG to evaluate trends in complaints which have been referred to independent third parties, and their nature	to ensure that all Consumer Complaints are recorded and analysed, and that all escalated complaints are recorded as to category, outcome, and subsequent action, the CS shall operate an independently verified assessment process that gives 95% certainty that all Consumer Complaints received and resolved at individual HI level have been recorded statistically, and that all complaints escalated to the CS, or onward to the Independent Third Party, have also been recorded and analysed as to cause and outcome.

# APPENDIX 1D

## DISCIPLINARY

Sect Ref.	Area to be Monitored	Desired outcome	Minimum acceptable CS Performance Standards
1.2 2.2	references for disciplinary action can result from receipts of complaints, CSs investigation or monitoring/audit of the conduct or work of an HI	to ensure that consumer confidence is maintained in the process of Home Inspection, and that HI Standards are policed and maintained	to ensure that all HI related complaints, of whatever type, are formally recorded and investigated, and wherever possible resolved without recourse to an Independent Disciplinary Panel, the CS shall operate an independently verified assessment process that gives 95% certainty that the disciplinary process has been carried in accordance with these Standards, and that documentary records are comprehensive and accessible
1.4 1.5 1.7	that powers exist to enable an Independent Disciplinary Panel to be constituted as required, and that it publishes appropriate procedure rules	to ensure that the rights of the complainant, and the HI concerned are fully protected	to ensure that a written arrangement (contract) exists between the CS and putative disciplinary panel members so that they can be called upon as required, and so that the composition of the panel is appropriate, the CS shall undertake an independently verified review of the arrangement. This review to give a 95% certainty that the requisite number of panel members are available, and that the written arrangement within which the Panel would operate is still satisfactory
2.6	performance reporting regarding Disciplinary action	to enable the CS and DCLG to evaluate the nature of disciplinary action taken, trends of such action, and consequences	to ensure that all disciplinary action, whether escalated to the Independent Disciplinary Panel or not is recorded as to category, outcome, and subsequent action, the CS shall operate an independently verified assessment process that gives 95% certainty that the recording and processing of all disciplinary matters is in accordance with this Standard, and that full analysis has been carried out as to cause and outcome

## APPENDIX 1E

### REGISTRATION AND MEMBERSHIP APPEALS

Sect Ref.	Area to be Monitored	Desired outcome	Minimum acceptable CS Performance Standards
1.1	the form of the arrangement with the CS's Appeals Panel and its composition	to ensure that the rights of candidates and active members are protected in accordance with Human Rights and other relevant legislation	to ensure that a written arrangement (contract) exists between the CS and putative Appeal Panel members so that they can be called upon as required, and so that the composition of the panel is appropriate, the CS shall undertake an independently verified review of the arrangement. This review to give a 95% certainty that the requisite number of panel members are available, and that the covering arrangement within which the Panel would operate is still satisfactory
1.2 2.1	that the Appeals Panel is empowered to carry out its duties, and that it publishes appropriate procedure rules	to ensure that all candidates and active members are aware of the Appeals Panel and how it works  to ensure that the Appeals Panel has full powers to confirm or overturn certain actions taken by the CS	to ensure that the arrangement (contract) between the CS and the putative Appeals Panel contains a written constitution and powers of the panel, and that these matters are still relevant, the CS shall undertake an independently verified review of the arrangement. This review to give a 95% certainty that the arrangement is unambiguous, and properly specified in terms of its operations and powers, and that the constitution and powers are fully accessible
2.2	performance reporting regarding appeals	to enable DCLG to evaluate trends in appeals which have been referred to the panel, and their nature	to ensure that all Registration and Membership appeals action is recorded and fully analysed, as to category, outcome, and subsequent action, the CS shall operate an independently verified assessment process that gives 95% certainty that the recording and processing of all appeals matters is in accordance with this Standard, and that full analysis has been carried out as to cause and outcome

# APPENDIX 1F

## LIFELONG LEARNING

Sect Ref.	Area to be Monitored	Desired outcome	Minimum acceptable CS Performance Standards
1.4 2.1 2.2	<p>establish lifelong learning policy, and dissemination of same to HIs</p> <p>provision of advice to HIs as to their requirements</p>	<p>to ensure that all active HIs continue to operate in accordance with current best practice</p>	<p>to ensure that all HIs are registered upon an approved Lifelong Learning regime, the CS shall operate an independently verified assessment process that gives 95% certainty that HIs have registered their intentions, and that a reminder system is in operation for those who have not registered</p>
2.4	<p>checks to be carried out to ensure the quality of lifelong learning</p>	<p>to ensure that the proposed learning is fit for purpose</p>	<p>to ensure that all intended Lifelong Learning is carried out with proper rigor, and is of satisfactory quality, the CS shall operate an independently verified assessment process that gives 95% certainty that all intended Lifelong Learning outcomes are being achieved by HIs and that any training is being carried out with properly qualified individuals</p>

## APPENDIX 1G

### HI MEMBERSHIP REGISTRATION AND RENEWAL

<b>Sect Ref.</b>	<b>Area to be Monitored</b>	<b>Desired outcome</b>	<b>Minimum acceptable CS Performance Standards</b>
whole of Fit and Proper	initial registration and subsequent renewal of memberships depends upon compliance of candidates and active members with the Fit and Proper Standard	see Fit and Proper Standard	see Fit and Proper Standard
2.1	the procedures adopted for registration and renewal of membership are comprehensive and accurate	to ensure that formal and consistent methods of assessment and reassessment are applied and properly recorded in individual files	to ensure total consistency of record keeping, and uniformity of approach, the CS shall operate an independently verified assessment process that gives 95% certainty that the recording and processing of all registrations and renewals is in accordance with this Standard

# APPENDIX 1H

## FIT AND PROPER

Sect Ref.	Area to be Monitored	Desired outcome	Minimum acceptable CS Performance Standards
1.1 1.5 2.1 2.2	Assessment of the satisfactory character, conduct and integrity of candidate HIs and active members. Maintenance of comprehensive records of total evaluation process	to ensure that all putative and full members, are of a standard to inspire and maintain consumer confidence	to ensure that all candidate HIs and active members are Fit and Proper persons the CS shall operate an independently verified assessment process that gives 95% certainty that all HI candidates have been assessed in accordance with this Standard, and that all active members are properly checked at renewal, and that all HI candidate and active member records are both accurate and comprehensive
1.2	relevance of spent criminal convictions of HI candidates	to apply and justifiable rules with regard to spent convictions. The relevance, seriousness, and timing of offences should be the keys to the evaluation procedure	to ensure that all candidate HIs and active members have been formally assessed with regard to any criminal convictions they may have, and that this assessment complies with the Standard the CS shall operate an independently verified assessment process that gives 95% certainty that a formal method of checking for such convictions is in place and that the CS policy with regard to the categories of spent conviction is available to all
2.3 2.4	application of the Standard to be in a consistent manner and clear and justifiable reasons given to unsuccessful candidates	to maintain the consistent quality of HIs, and to obviate possible actions being brought regarding breaches of Human Rights  to ensure that those refused membership have been dealt with fairly and wholly in accordance with those of the CS	to ensure that all candidate HI applications are dealt with in accordance with this Standard, the Certification Scheme shall operate an independently verified assessment process that gives 95% certainty that application assessment is consistent, and properly recorded

## APPENDIX 2

### THE MINIMUM REPORTING INFORMATION TO BE SUBMITTED TO DCLG

<b>Relevant Business Standard</b>	<b>Nature of Information</b> (all statistics to be quarterly, and cumulative within the financial year)	<b>Frequency</b>
<p>Home Condition Report see Appendix 1A</p> <p>Duties and Responsibilities see Appendix 1B</p> <p>Consumer Complaints see Appendix 1C</p> <p>Disciplinary see Appendix 1D</p> <p>Registration and Membership Appeals see Appendix 1E</p> <p>Lifelong Learning see Appendix 1F</p> <p>HI Membership Registration and Renewal see Appendix 1G</p> <p>Fit and Proper see Appendix 1H</p>	<p>A: Regarding HCRs</p> <ul style="list-style-type: none"> <li>• number of HCRs registered by the members of the scheme</li> <li>• number of HCRs sampled for this report, of which:</li> <li>• number of HCRs complying with the Standard</li> <li>• number HCRs not complying with the Standard (where HCRs do not comply with the Standard state the reason(s))</li> </ul> <p>B: Regarding HIs</p> <ul style="list-style-type: none"> <li>• name of each HI within the above samples</li> <li>• total number of HCRs lodged, by each HI, of which:</li> <li>• number of HCRs complying</li> <li>• number of HCRs not complying with the Standard (where HCRs do not comply with the Standard state the reason(s))</li> </ul> <p>C: Regarding Disciplinary Action</p> <ul style="list-style-type: none"> <li>• detail of any disciplinary or other action taken as a result of sampling</li> <li>• detail of any special sampling put in place viz. doubtful HIs</li> </ul>	<p>Quarterly Statistics, with interpretation</p>
	<p>D: Compliance Statements required</p> <ul style="list-style-type: none"> <li>• for insurance coverage, a compliance statement confirming that all HCRs lodged in the reporting period have been found to be properly insured</li> <li>• for Register security, a compliance statement confirming that the designated security checks have been carried out, and the Register was found to be secured</li> <li>• for HI declaration of acceptance of the D &amp; R Standards rules, a compliance statement stating that all HIs have signed the declaration</li> <li>• for the adequacy of HI documentation a compliance statement stating that HI site documentation has been checked and found to be satisfactory</li> <li>• for the satisfactory state of the Certification Schemes individual HI records, a compliance statement stating that the Certification Scheme's HI records have been checked and found to be satisfactory</li> <li>• for the satisfactory state of initial qualification checking of prospective HI applicants, and subsequent Lifelong Learning, a compliance statement stating that both initial qualifications, and Lifelong Learning Standards and requirements, have been checked and found to be satisfactory</li> </ul>	<p>Quarterly Compliance Statements</p>

<b>Relevant Business Standard</b>	<b>Nature of Information</b> (all statistics to be quarterly, and cumulative within the financial year)	<b>Frequency</b>
Consumer Complaints see Appendix 1C	<p>A: Regarding complaints dealt with at HI level</p> <ul style="list-style-type: none"> <li>• total number of complaints received from consumers, of which:</li> <li>• number related to quality of work,</li> <li>• number related to HI behaviour,</li> <li>• number of complaints resolved without escalation,</li> <li>• number of complaints escalated to the CS.</li> </ul> <p>B: Regarding complaints dealt with at CS level</p> <ul style="list-style-type: none"> <li>• total number of complaints received, of which:</li> <li>• number related to quality of work,</li> <li>• number related to HI behaviour,</li> <li>• number of complaints resolved by CS, and nature of resolution,</li> <li>• number of complaints passed to the Independent Third Party</li> <li>• (number of complaints initiating disciplinary action, details of the action and outcomes)</li> </ul> <p>C: Regarding complaints escalated to the Independent Third Party</p> <ul style="list-style-type: none"> <li>• total number of complaints received, of which:</li> <li>• number related to quality of work,</li> <li>• number related to HI behaviour,</li> <li>• number of complaints resolved by the Independent Third Party, and nature of resolution,</li> <li>• number of complaints unresolved, and the nature of any possible future legal action.</li> </ul>	Quarterly Statistics, with interpretation
	<p>D: Compliance Statements required</p> <ul style="list-style-type: none"> <li>• or the existence of a formal arrangement (contract) with a suitable Independent Third Party, a compliance statement stating that the arrangement is still current, and relevant for its purpose</li> <li>• for the existence within the formal arrangement (contract) of a defined Constitution and Powers which are freely available to all, a compliance statement stating that the Constitution and Powers exist, and continue to be relevant</li> </ul>	Quarterly Compliance Statements

<b>Relevant Business Standard</b>	<b>Nature of Information</b> (all statistics to be quarterly, and cumulative within the financial year)	<b>Frequency</b>
Disciplinary see Appendix 1D	<p>A: Regarding the processing and recording of HI related disciplinary actions</p> <ul style="list-style-type: none"> <li>• total number of disciplinary actions undertaken by the CS, of which:               <ul style="list-style-type: none"> <li>• number related to quality of work,</li> <li>• number related to HI behaviour,</li> <li>• number of disciplinary actions resolved without recourse to an Independent Disciplinary Panel, and the nature of their resolution and outcome.</li> </ul> </li> </ul> <p>B: Regarding disciplinary actions escalated to the Independent Panel</p> <ul style="list-style-type: none"> <li>• total number of disciplinary actions passed to the Independent Disciplinary Panel, of which:               <ul style="list-style-type: none"> <li>• number related to quality of work,</li> <li>• number related to HI behaviour,</li> <li>• number of actions dealt with to completion by the Independent Disciplinary Panel, and the action taken to effect completion, and outcome</li> <li>• number of actions unresolved, and the nature of any possible legal action</li> </ul> </li> </ul>	Quarterly Statistics, with interpretation
	<p>C: Compliance Statements required</p> <ul style="list-style-type: none"> <li>• for the existence of a formal arrangement (contract) with a suitable Independent Disciplinary Panel, a compliance statement stating that the arrangement is still current, and relevant for its purpose</li> <li>• for the existence within the formal arrangement (contract) of a defined Constitution and Powers which are freely available to all, a compliance statement stating that the Constitution and Powers exist, and continue to be relevant</li> </ul>	Quarterly Compliance Statements

<b>Relevant Business Standard</b>	<b>Nature of Information</b> (all statistics to be quarterly, and cumulative within the financial year)	<b>Frequency</b>
Registration and Membership Appeals see Appendix 1E	<p>A: Regarding the number of appeals and their outcome</p> <ul style="list-style-type: none"> <li>• total number of Registration and Membership appeals, of which:</li> <li>• number related to refusals to register applicants,</li> <li>• number related to membership terminations,</li> <li>• number related to refusals to renew membership,</li> <li>• where appropriate the above statistics to be amplified by details of actions and outcomes</li> <li>• number and category escalated to the Appeals Panel</li> </ul> <p>B: Regarding Appeals Panel actions</p> <ul style="list-style-type: none"> <li>• total number of appeals received by the Panel, of which:</li> <li>• number related to refusals to register applicants</li> <li>• number related to membership terminations,</li> <li>• number related to refusals to renew membership,</li> <li>• number of appeals within each category that the Panel resolves with detail as to action and outcomes</li> <li>• number of appeals unresolved, and the nature of any possible legal action.</li> </ul> <p>C: Compliance Statements required</p> <ul style="list-style-type: none"> <li>• for the existence of a formal arrangement (contract) with a suitable Appeals Panel, a compliance statement stating that the arrangement is still current, and relevant for its purpose</li> <li>• for the existence within the formal arrangement (contract) of a defined Constitution and Powers which are freely available to all, a compliance statement stating that the Constitution and Powers exist, and continue to be relevant</li> </ul>	<p>Quarterly Statistics, with interpretation</p> <p>Quarterly Compliance Statements</p>
<p>Lifelong Learning see Appendix 1F</p> <p>HI Membership Registration and Renewal see Appendix 1G</p> <p>Fit and Proper see Appendix 1H</p>	<p>A: Compliance Statements required</p> <ul style="list-style-type: none"> <li>• are undertaking approved Lifelong Learning, a compliance statement stating that appropriate systems exists, and that where necessary a reminder system is used for those not registering Lifelong Learning intentions,</li> <li>• for the existence of those checks necessary to ensure the adequacy of the quality of Lifelong Learning, a compliance statement stating that a proper evaluation of learning processes had taken place, and that they were satisfactory</li> </ul>	<p>Quarterly Compliance Statements</p>

<b>Relevant Business Standard</b>	<b>Nature of Information</b> (all statistics to be quarterly, and cumulative within the financial year)	<b>Frequency</b>
HI Membership Registration and Renewal see Appendix 1G	A: Regarding basic statistics <ul style="list-style-type: none"> <li>• total number of registered HIs, of which:</li> <li>• total number renewing membership in the period</li> <li>• total number of applicants in progress</li> </ul>	Quarterly Statistics, with interpretation
	B: Compliance Statement required for confirmation of the consistency of treatment of all membership registrations and renewals, and the proper nature of all records, a compliance statement stating that proper sampling of all records had taken place to prove their adequacy and consistency of approach	Quarterly Compliance Statements
Fit and Proper see Appendix 1H	A: Compliance Statements required <ul style="list-style-type: none"> <li>• confirming formal adherence to comprehensive Fit and Proper checks on all candidates and active HIs, a compliance statement stating that the checking procedures set out are universally applied and formally recorded,</li> <li>• confirming that the approved method of checking for spent criminal convictions is rigorously applied, a compliance statement stating that there has been no change to those methods set down in the Standard</li> </ul>	Quarterly Compliance Statements

## APPENDIX 3

### THE MINIMUM REQUIRED CONTENT OF CERTIFICATION SCHEME ANNUAL REPORTS

1. The format of the Annual Report is a matter for the individual Certification Scheme to decide, but it should be clearly separated from the Annual Report of the host, and be dedicated to matters related wholly to the scheme, not including issues that concern the host.
2. There are four blocks of statistical information that should be an integral part of the overall Certification Scheme performance report, which is to set out the scheme's degree of achievement of customer service, and all other performance standards and criteria. Statistics should be incorporated within the relevant sections of the Annual Report, and be presented with comparisons to both the same time last year, and to any performance targets that have been agreed with DCLG. The statistical information to be presented is:
  - 2a. Block 1, which is in the area of the report related to Home Condition Reports, shows:
    - the total number of Home Condition Reports that have been lodged in the Certification Scheme Register
    - the total number of Home Condition Reports rejected for reasons of poor quality or incompleteness
  - 2b. Block 2, which is in the area of the report related to Home Inspectors, shows:
    - the total number of Home Inspector membership
    - the number of Home Inspectors formally disciplined
    - the number of Home Inspectors formally disciplined, for matters related to work quality
    - the number of Home Inspectors formally disciplined, for matters related to their behaviour
    - the number of Home Inspectors whose membership was terminated
    - the number of Home Inspector candidates whose applications are outstanding at year-end
  - 2c. Block 3, which is in the area of the report related to Consumer relations, shows:
    - the total number of consumer complaints received
    - the total number of consumer complaints received, regarding work quality

- the total number of consumer complaints received, regarding Home Inspector behaviour
  - the total number of consumer complaints received, remaining unresolved at year-end
- 2d. Block 4, which is in the area of the report related to the use of various external disciplinary or appeals “panels”, shows:
- the total number of Home Inspector disciplinary cases referred
  - the total number of consumer complaint cases referred
  - the total number of membership appeal cases referred
  - the number of referred cases in each category that remain unresolved at year-end
3. The Annual Report must contain sufficient financial information to enable recipients to readily appreciate the financial viability of the Certification Scheme. For Incorporated bodies a full or partial Trading/Profit and Loss Account and Balance Sheet are required (all in accordance with the various Companies Acts), and for non-Incorporated bodies a statement of account is required showing the formal surplus or deficit on scheme activities.

In all cases the accounting conventions to be used by the Certification Scheme should enable a Profit and Loss account or equivalent to be prepared indicating profit/loss or surplus/deficit before the debiting of any charges from the host. Similarly a Balance Sheet or equivalent should be prepared indicating Assets and Liabilities related to scheme operations, prior to any transactions with the host.

Sufficient information should be provided to show the composition and levels of cash and non cash reserves, and the nature of any contingent liabilities.

Certification Schemes will be required to describe their intended accounting structure and conventions within submissions for Approval.

4. The Annual Report should be signed off by the senior operating executive of the Certification Scheme, whether or not that individual is required to do so under the Companies Acts or their equivalents. Annual Reports must be subject to full professional audit

## Glossary of terms

<b>Term</b>	<b>Definition</b>
the Act	The Housing Act (2004).
appeals	The right to appeal against disciplinary decisions of Certification Schemes, which comply with the principles of fairness and natural justice and the requirements of the Human Rights Act (1988).
appeals panel	The body to which disputes about Certification Scheme decisions on registration and membership are referred.
applicant Home Inspector	A person who is undergoing the application process to become a member of a Certification Scheme.
approval	Approval granted by the Secretary of State for Communities and Local Government for the operation of a Certification Scheme (such approval to be granted in accordance with regulations made under Section 163 of the Act).
Certification Scheme	A scheme or schemes approved by the Secretary of State for Communities and Local Government referred to in Section 164 of the Housing Act (2004).
Certification Scheme criteria	The minimum criteria by which the Secretary of State for Communities and Local Government will approve a Certification Scheme.
Certification Scheme Standards	A description of the outcomes required from Certification Schemes.
consumers	Includes buyers and sellers of residential property who are Natural Persons (see below).
Department for Communities and Local Government (DCLG)	The government department with responsibility for the Standards for Certification Schemes.
disciplinary process	The process that a Certification Scheme must operate to deal with one of its members who breaches their Duties and Responsibilities.
disciplinary tariff	The penalties or action that a Certification Scheme can require of one of its members who breaches their Duties and Responsibilities.

Duties and Responsibilities	The Code of Practice for Home Inspectors which sets out the principles that must be followed and applied by all Home Inspectors.
Home Condition Report	A document prepared by a Home Inspector and submitted to the Register of Home Condition Reports containing information about the physical condition or energy efficiency of a property, as specified in Section 163(5)(d) and (e) of the Act.
Home Information Pack	A package of documents containing information about a property, which complies with the requirements of regulations made under Section 163 of the Act.
Home Inspector	An individual who is a member of a Certification Scheme.
host	Any existing corporate entity within which a Certification Scheme has been set up and must have separate governance.
independent disciplinary panel	A panel that operates under separate governance from the Certification Scheme and must be referred to under the circumstances described in ‘6: Disciplinary process’, paragraph 6.4.
inspection and reporting requirements	Requirements for completing a Home Condition Report, based on the National Occupational Standards.
lifelong learning	Programmes of study designed to maintain the knowledge and understanding required by the National Occupational Standards.
member/membership	An individual who has been able to demonstrate that they are a ‘fit and proper’ person to be a Home Inspector, has attained a qualification that fits within the framework of National Occupational Standards and has continued to meet the Standards for Home Inspector compliance.
National Occupational Standards (NOS)	A statement of the skills, knowledge and understanding required by Home Inspectors, approved by the Qualifications and Curriculum Authority (QCA) and the Qualifications, Curriculum and Assessment Authority for Wales, which will form the basis for qualifications for Home Inspectors.

National occupational standards board	The board that approves National Occupational Standards. Its membership is drawn from the Qualifications and Curriculum Authority, the Scottish Qualifications Authority, the Welsh Assembly Government Department for Education Lifelong Learning and Skills, the Council for the Curriculum Examinations and Assessment, the Sector Skills Development Agency and up to six employer representatives.
natural persons	A human being perceptible through the senses and subject to physical laws, as opposed to an artificial person, i.e. an organisation that the law treats for some purposes as if it were a person distinct from its members or owners.
Register of Home Inspectors	A public register maintained by a Certification Scheme of its Home Inspectors.
qualification	A Home Inspector qualification that satisfies the Standards and fits within the framework of National Occupational Standards.
Register of Home Condition Reports	The Register onto which a Home Condition Report must be entered.
registration process	The process of registering a Home Inspector as a member of a Certification Scheme.
renewal of Home Inspector membership	The process of renewing membership of a Certification Scheme, which must take place at intervals of no more than three years.
Scheme members	An individual who is a Member of the Certification Scheme.
Technical Standards	The Standards that specifically set out required technical issues, to ensure that a Certification Scheme's own Home Inspector Register can exchange certain information with any other Certification Scheme, and that Home Condition Report data generated by a Certification Scheme can be properly logged on the DCLG Register of Home Condition Reports.

United Kingdom Standards Board

The Board that has delegated authority from the National Occupational Standards Board for the National Occupational Standards programme. Its members are drawn from the Qualifications and Curriculum Authority, the Scottish Qualifications Authority, the Welsh Assembly Government Department for Education Lifelong Learning and Skills, the Council for the Curriculum Examinations and Assessment and the Sector Skills Development Agency.

voluntary standards

Any additional standards that a Certification Scheme may apply for its own purposes, provided that they are not inconsistent with these Standards.