

RF/SB/HBF/GEN/035

24th September 2007

Consumer Redress Consultation
Department for Business, Enterprise and Regulatory Reform
Response Centre
1 Victoria Street
London
SW1H 0ET

Dear Sirs

Re: HBF Response to the Consultation on the Redress Bill

The Home Builders Federation (HBF) is a trade federation for the House Building Industry. As a federation we are funded and supported by our Members who build in excess of 80% of the new homes in England and Wales, who in total are over 350 in number. We see ourselves as the voice of the Industry and work closely with Government in many areas through various Government Departments.

The above-mentioned Consultation was highlighted to us by a Consumer Group who we have worked with in the past. Having read the Consultation it is obvious that this is not really applicable to our Membership and as such we do not intend to reply to the questions in Annex B.

However we do feel it is important to highlight a few issues which may be interest to you and which we feel in one instance is incorrectly documented in the consultation. For ease of communication these are detailed below:-

OFGEM

Over many years the HBF has been working with Ofgem in their objective to promote Competition in the House Building Industry. It would be time to say that over the last year some substantial progress has been made. In relation to complaints, it is evident that when a dispute is referred to Ofgem for determination it takes an inordinate length of time for a decision to be made by them. To the point that on many occasions a commercial decision has to be made as to whether a point of principle is worth pursuing.

We bring this issue to your attention in that if Ofgem have increased powers, unless resourced and structured appropriately the same problems may be encountered as our Industry has at present.

6. Redress schemes under the Consumers, Estate Agents and Redress Bill

In section 6.1a there seems to be the omission of OFCOM and the organisations they regulate. In our case this is more related to telecommunications.

In section 6.3e the Consultation expresses a view on voluntary codes of practice. To date we would say that any voluntary arrangement does not work and should be omitted from the Redress Scheme. We have found that issues only seem to be taken forward if a statutory route is taken.

8. Defining the provisions of the Order relating to kinds of consumer complaint

Under 8.2a the Consultation sets out an assumption about Business Consumers, quote:

“It is likely that many large and medium-sized business consumers will have sufficient commercial power to resolve problems directly with regulated providers and will not want to seek redress through statutory schemes.”

Unfortunately in our Industry this is far from the truth and is diversely opposite to the reality our members are encountering everyday. The likes of Water Company, Sewerage Undertakers and Distribution Network Operators hold the upper hand where their commitment to help House Builders with appropriate levels of service to meet the Governments objectives of the increase in housing supply is not even on the radar. A point the HBF have stressed on many occasions to Government and forms part of our recent response to the OFT's questionnaire on our Industry. So we would suggest that BERR's assessment of the relationship between the Regulated Monopoly Organisations and our Industry is of need of further investigation to reflect the actual situation that exists today.

As we said at the start of this response it was not our intention to provide a substantive reply to the questions in the Consultation but we wanted to highlight a few issues which you may want to address in the Bill and to clarify the relationship between Regulated Monopoly Organisations and our Industry.

Yours faithfully



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