

***TrustMark***  
**Core Approval Criteria**

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### **Related documents**

*Trust Mark Principles of Operation*

*Application form for scheme approval*

*Scheme Operator Licence agreement & member sub-licence*

## ***Introduction***

This document outlines the core criteria against which the TrustMark (TM) Board will consider applications for approval of schemes to carry the TM Mark. It should be read in conjunction with The TM Principles of Operation.

The next section covers the application process; this is followed by sections covering each of the core criteria as agreed by the TM Board, that any scheme must meet to gain TM approval, with explanatory notes to assist applicants. It should be emphasised that the focus of the approval criteria is on achieving the desired outcomes: while the document contains suggestions as to how these outcomes can be achieved, applicants may propose for the Board's consideration any approach that they believe will meet the required outcomes.

The robustness of any scheme is based on a combination of different elements: entry checks, regular assessments, complaints and disciplinary process, etc. While generally all criteria must be satisfied the Board will assess any application as a whole, also taking into account any evidence of the scheme's prior track record.

Self-certification rights under the Building Regulations are a matter for ODPM. Applications for Competent Persons Schemes will be considered by ODPM, liaising with the TM Secretariat and Board in relation to TM assessment and approval for these schemes. Specific ODPM criteria for schemes seeking Competent Persons authorization, over and above the general TM criteria, are outlined toward the end of the document.

## ***The Application Process***

With the exception of Competent Persons scheme applications as outlined in the final paragraph below, organisations seeking approval as TrustMark operators should directly approach the TM Secretariat (contact [enquiries@trustmark.org.uk](mailto:enquiries@trustmark.org.uk)), to discuss the application requirements. If the organisation wishes to go ahead after the initial consultation they will be asked to complete the application form and submit the application fee, which asks a number of questions about the scheme and scheme operator (and which will be designed to integrate with that provide for Competent Persons schemes). Ideally the scheme will have documentation on its membership requirements and procedures, governance arrangements, etc, which can be referenced in the application.

There is an application fee for processing the application, normally set at £2000 for most applications. Where the TM Secretariat expects significantly more work to be involved, it may advise a higher fee for that particular case after the initial consultation. The application fee is non-refundable in the event the scheme is not granted TM Approval. (The fee is waived for all members of the Founding Group as defined in the Trust Mark Ltd articles of Association provided they submit their application before March 1st 2006.

The Secretariat will evaluate the application against the core criteria outlined below, involving external expertise where appropriate and where necessary requesting further information or clarification. The Secretariat may point to areas where changes would make the application more likely to achieve Board approval, but ultimately the content of the application is the applicant's decision.

For a simple application the Secretariat will aim to complete this process within 4-6 weeks of the initial application being lodged (assuming all necessary information is provided promptly), and will indicate what recommendation it intends to make to the TM Board. Where there are issues or remedial measures involved, additional time will be required to resolve these. The TM Board will make a decision on the application at its next meeting or, where necessary, by email, based on the Secretariat's review and recommendation and any direct representations the applicant may wish to make. Once approval is granted the applicant organisation will be asked to sign a TM Scheme Operator's licence agreement covering its obligations as a TM approved scheme operator – a copy of the standard agreement is available on request. Where a scheme is refused Approval and the applicant operator feels that the refusal is unjustified, it may request an independent review of the Board's decision, as outlined in *Principles of Operation*.

Note that the Board may indicate it is satisfied with the paper proposals (termed 'in-principle approval'), but require evidence that the new scheme arrangements are operating satisfactorily before giving full scheme approval – e.g. where a scheme is not already well-established or where major changes are planned in order to meet scheme requirements. For a well-established scheme that has been operating to adequate standards, existing scheme members will be deemed to satisfy and automatically granted TM registration without further checks; however, in other cases special arrangements may need to be agreed. Where an applicant feels unhappy with the handling of their application there are escalation and appeal procedures. These points are covered in more detail in the accompanying '*Principles of Operation*' document

Organisations seeking Competent Persons scheme authorisation in a relevant sector should in the first instance consult the Building Regulations section at ODPM (contact [enquiries.br@odpm.gsi.gov.uk](mailto:enquiries.br@odpm.gsi.gov.uk), tel. 020 7944 5723). ODPM will act as the primary interface in assessing the application and guiding it through the process of evaluation by BRAC and, where appropriate, ODPM authorisation. ODPM will arrange to coordinate the application process with the TM Secretariat, who will feed back to ODPM and the applicant their assessment in relation to TM approval. TM Board approval will be sought in conjunction with the ODPM authorisation process. The Secretariat charge for processing an application from a competent persons scheme will be £1000, but will again be waived for members of the Founding Group applying before March 1<sup>st</sup> 2006. The process for dealing with applications for such schemes is, however, likely to take considerably longer given the need for consideration by the Building Regulations Advisory committee and statutory authorisation involved.

## 1. The Organisation

1(a)	<p><b>An Approved Scheme operator shall satisfy the Board that it has the financial probity and resources, and the administrative and technical capability, to effectively operate the proposed scheme</b></p>
	<p><b>Our Aim</b> To ensure that scheme standards and promotion are not compromised by inadequate financial resources or internal capabilities</p>
	<p><b>Further information</b> Schemes that are already well established largely in their proposed form need only provide basic organisational information (eg accounts &amp; staffing resources). Where substantial enhancements are proposed to an existing scheme to meet TM requirements, the applicant should indicate how the additional costs involved will be funded – e.g. via higher member fees. For a totally new scheme, a business plan should be provided showing initial investment and on-going costs and how these will be funded. In all cases the Board will wish to understand the scheme’s proposed member fee structure and projected membership over time</p>
1(b)	<p><b>An Approved Scheme operator shall satisfy the Board that it has the ability to manage the scheme impartially so as to avoid conflicts with the commercial interests of the organisation or organisations involved</b></p>
	<p><b>Our Aim</b> To ensure that consumers can have confidence that scheme processes will be managed impartially and not distorted by the interests of the scheme or its members</p>
	<p><b>Further information</b> Applicants should identify any conflicts of interest between the objectives of the scheme and the role, governance and commercial interests of its sponsoring organisation, outline the management structure within which the scheme will be operated and the composition of key review and decision-making bodies (e.g. for complaints handling or disciplinary matters), and explain how these are designed to deal with any conflicts of interest</p>
1(c)	<p><b>An Approved Scheme operator shall satisfy the Board that it has a commitment to achieving accreditation to EN45011/12/13 or at minimum UKAS-accredited certification to ISO9001:2000 or equivalent within an acceptable timescale</b></p>
	<p><b>Our Aim</b> To ensure that the Board can gain confidence, through an appropriate independent review of the scheme’s systems and processes, that the scheme is operating to quality standards appropriate to TM Approval</p>
	<p><b>Further information</b> Applicants should define the standard they propose to adopt, the timescale in which they anticipate achieving accreditation/certification, and the identity of the proposed accreditation/certification body. The Board will wish to agree the choice of this body and be clear its scope encompasses the key scheme processes on which its robustness depends (entry vetting, monitoring, complaints handling, and disciplinary processes) so as to be satisfied it will be able to rely on the results. If necessary the Board may propose additional independent review activities it feels are needed to ensure adequate audit of all aspects of the scheme’s operation. The Board will also wish to agree a timescale (normally 12-18 months max.) for obtaining accreditation /certification but scheme approval will not be deferred until this is achieved.</p>

<b>1(d)</b>	<b>An Approved Scheme operator shall satisfy the Board that it has a demonstrated commitment to raising standards in the industry</b>
	<b>Our Aim</b> To ensure that organisations operating TrustMark are dedicated to the core TM objectives of improving standards and the quality of customer service in the domestic repair, maintenance and improvement industry
	<b>Further information</b> Applicants should explain how they satisfy this requirement. Suitable evidence might include: <ul style="list-style-type: none"> <li>▪ Organisational mission and track-record</li> <li>▪ Specific 'added-value' activities such as training, standard setting, etc.</li> <li>▪ A scheme designed to progressively grow membership and the competence and standards of its members</li> </ul>

## **2. Members' code of practice**

<b>2(a)</b>	<b>An Approved Scheme shall define and operate within its scheme rules a code of practice for its members. It should have procedures that require scheme members to confirm their understanding of and compliance with it on entry to the scheme and on every membership renewal</b>
	<b>Our Aim</b> To ensure that scheme members commit to appropriate standards of regulatory compliance and fair trading practices, and to operating within the rules set down by the scheme.
	<b>Further information</b> Compliance with the code of practice requirements is best demonstrated by attaching to the application a copy of the proposed Code of Practice highlighting the relevant sections, along with a description of the procedures through which members are asked to confirm or reconfirm understanding and compliance.

<b>2(b)</b>	<b>The Code of Practice shall require members to comply with applicable statutory regulations on health &amp; safety and waste disposal, and hold employers liability insurance (where required) and adequate levels of public liability insurance</b>
	<b>Our Aim</b> To ensure that consumers can be confident that they and those working in their homes are protected from poor practices or inadequate insurance cover
	<b>Further information</b> See 2(a) above

<b>2(c)</b>	<b>The Code of Practice shall incorporate a commitment from members to comply with appropriate trading practices in selling to, contracting with, and handling payments from customers. At a minimum this should cover:</b> <ul style="list-style-type: none"> <li>– providing customers with clear and simple information in estimates or contracts for works, covering work to be done, price, expected start and completion dates and payment terms</li> <li>– proper handling of contract variations and their cost and time impact</li> <li>– taking full responsibility for the competence and actions of sub-contractors</li> <li>– ensuring that the customer is aware of any building control</li> </ul>
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	<p><b>notifications required for the work involved and assist in completing such notifications where requested</b></p> <ul style="list-style-type: none"> <li>– <b>any sector-specific considerations, e.g., doorstep/pressure selling</b></li> </ul>
	<p><b>Our Aim</b> To ensure that consumers can have confidence that by using TM registered firms they will experience fair trading practices reducing the likelihood of subsequent disputes, and that they will be made aware of and assisted in any necessary building control formalities.</p>
	<p><b>Further information</b> The criteria do not explicitly call for a TM Approved Scheme to require Registered Firms to always use a written contract with customers, as it is recognised this may be inappropriate for smaller and emergency jobs. However, to protect firms and consumers and to assist in complaints resolution schemes should normally require members to use written contracts as a default, at minimum for larger jobs. Schemes are encouraged to make available a standard contract pro-forma where appropriate to the sector concerned.</p> <p>Where scheme members have Competent Person self-certification rights the provision of a certificate to the consumer satisfies the requirement in relation to building control notification, unless the work covers areas of building regulations beyond the scope of the CP rights</p> <p>Scheme codes of practice should cover any sector-specific areas of undesirable practice and consumer concerns: e.g., doorstep &amp; pressure selling issues in certain sectors.</p>

<b>2(d)</b>	<p><b>The Code of Practice shall include appropriate provisions requiring the member to carry out their obligations as part of the scheme's operation, including the offer of a warranty and proper handling of customer complaints</b></p>
	<p><b>Our Aim</b> To ensure that members explicitly understand and commit to fulfilling their obligations under the scheme's rules, and that quality standards and regulatory compliance are maintained where work is sub-contracted.</p>
	<p><b>Further information</b> See 2(a) above</p>

### **3. Member assessment and monitoring**

<b>3(a)</b>	<p><b>An Approved Scheme shall have in place processes that perform appropriate entry vetting of firms before their admission as scheme members, including:</b></p> <ul style="list-style-type: none"> <li>– <b>validation of technical competence in the sector or sectors in respect of which they will be registered by the scheme</b></li> <li>– <b>checks on the firm's 'bona fides': trading record &amp; credit-worthiness</b></li> </ul>
	<p><b>Our Aim</b> To ensure that TM registered firms have been subject to checks on entry to the scheme that give reasonable assurance that they will meet TM standards.</p>
	<p><b>Further information</b> Applicants should specify what checks are to be made on firms applying to join the scheme and the process involved. The competence checks, any relevant qualifications, etc., should reflect accepted industry standards for the sector(s) concerned.</p>

	<p>The list below gives examples of the types of checks likely to be suitable in appropriate combinations, dependent on the sector or sectors involved:</p> <ul style="list-style-type: none"> <li>▪ technical competence: <ul style="list-style-type: none"> <li>– checks on appropriate qualifications and/or confirmation of experience relevant to the sector</li> <li>– a competence assessment involving a test or an on-site inspection of the firm’s work</li> <li>– reports from qualified independent sources familiar with the member’s work</li> </ul> </li> <li>▪ ‘bona fides’: <ul style="list-style-type: none"> <li>– verification of trading address, a minimum trading record, and/or bank account details</li> <li>– a simple credit check</li> <li>– checks with local trading standards</li> <li>– a search for County Court judgments.</li> </ul> </li> </ul> <p>The TM Board will also work with its Approved Scheme operators to devise means of countering firms facing disciplinary action in one scheme moving to avoid expulsion from the TM system by applying to another TM scheme, and will require approved schemes to cooperate in this effort</p>
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3(b)	<p><b>An Approved Scheme shall have in place processes that monitor, on a regular basis, for each member:</b></p> <ul style="list-style-type: none"> <li>– <b>their technical competence and compliance with appropriate standards of good workmanship, materials usage and Building Regulations</b></li> <li>– <b>their adherence to responsible trading and health &amp; safety practices as called for in the code of conduct</b></li> <li>– <b>their customers’ satisfaction</b></li> </ul>
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	<p><b>Our Aim</b> To provide a mechanism, in addition to customer complaints, that ensures issues with a member’s workmanship, practices, or adherence to scheme rules are surfaced so that appropriate corrective action can be taken</p>
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	<p><b>Further information</b> Applicants should provide a description of the monitoring processes proposed and, for competence &amp; workmanship assessments, the standards against which such assessments will be based (which should be in line with normal sector practice) and the technical competence of those carrying them out. Where a scheme seeks approval to register members against multiple sectors, the standards and assessors’ competence should be appropriate for all the sectors involved.</p> <p>The notes below provide guidance on typical monitoring approaches that would normally be acceptable, but the Board will consider any proposed approach that, combined with the scheme’s entry checks, offers a similar level of assurance.</p> <p><b>Competence assessments:</b> normally monitoring will be based on a cycle of independent on-site inspections of members’ work, testing general workmanship and compliance with building regulations. Checks should be carried out on a statistically meaningful, risk-based sample with the frequency of ongoing checks driven by a risk assessment of member characteristics and history. All members should be checked a minimum of once every three years, but with members with a history of problems or complaints checked significantly more frequently. Where new entrants to the scheme are not subject to a full inspection on joining, the first inspection should take place within six months.</p>
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	<p>Experience suggests that on-site inspections are much more effective where the firm does not select the job to be inspected or have long notice of the inspection; applicants should consider this factor in designing the monitoring regime.</p> <p><b>Trading and health &amp; safety practices:</b> only simple checks are required that will not impose undue burdens on the scheme or member firms. These would normally be expected to cover:</p> <ul style="list-style-type: none"> <li>▪ confirmation of appropriate employer’s and public liability cover, either as part of on-site inspections or annual membership renewal</li> <li>▪ checks on the existence of an active written health &amp; safety policy where appropriate, or other simple checks as may be proposed by the scheme.</li> <li>▪ confirmation, from the firm or the customer, of the offer of a warranty and of assistance in building control notifications, and of clear understandings on work to be done, timescales, costs, etc.</li> </ul> <p><b>Customer satisfaction:</b> again, very simple mechanisms are envisaged here. This can be handled as an adjunct to on-site inspections via customer feedback scorings, linked to the trading practices points above. Alternatively, where the scheme has details available of a reasonable sample of jobs completed – e.g. for purposes of warranty coverage or issue of building regulations certificates – a simple ‘tick-box’ form may be mailed to customers requesting feedback on satisfaction with the firm’s work and its compliance with the trading practices listed above</p>
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#### 4. Customer care

<b>4(a)</b>	<p><b>An Approved Scheme shall have speedy, responsive, accessible and user-friendly complaints procedures operating to appropriate timescales</b></p>
	<p><b>Our Aim</b> To ensure that consumers who utilise a TM registered firm have available a series of easy-to-use processes to support them in resolving any issues that may arise – and that member firms similarly have support in resolving any issues that may arise with their customers.</p>
	<p><b>Further information</b> The primary focus of these requirements is on supporting individual private homeowners who have contracted with a TM scheme firm to have work carried out on their own home. Schemes are free to extend the scope of these processes to other types of customer – e.g. businesses and local authorities – but this is outside the scope of the TM requirements. They are focused on complaints that arise up to the time the work is completed or soon thereafter: complaints arising at a much later point would normally be dealt with as part of any warranty arrangements.</p> <p>Applicants should describe the requirements they place on members in initial complaints handling (stage 1), the scheme’s procedures for investigating and handling complaints escalated to them (stage 2), and the nature and cost of the low-cost independent redress mechanism that will be provided (stage 3). The procedures should make provision for cooperation with advisors assisting either party.</p>

<b>4(b)</b>	<b>These shall include (Stage 1) a requirement on members through the code of practice committing them to proper consideration of customer complaints, and enabling their escalation to the scheme operator where such complaints remain unresolved</b>
	<p><b>Our Aim</b> To ensure that scheme members understand their obligation to deal properly with customer complaints</p>
	<p><b>Further information</b> The term ‘enabling their escalation’ above means that the member should ensure, in the case of a complaint or dispute that remains unresolved, that the customer is made aware of their ability to escalate the issue to the scheme’s complaints process, and of how to do so.</p>

<b>4(c)</b>	<b>These shall include (Stage 2) the provision by the scheme of transparent and effective procedures for dealing with such escalated complaints including a resolution process directed at attempting to arrange a solution acceptable to both parties</b>
	<p><b>Our Aim</b> To ensure that in the case of complaints that cannot be resolved between the customer and Registered firm, there is an opportunity to resolve them via the scheme operator</p>
	<p><b>Further information</b> All complaints must first be made to the Registered firm, which should be given the opportunity and access to remedy defects (or complete outstanding work) acknowledged by them, before a complaint proceeds to stage 2.</p> <p>If the complaint relates to the registered firm’s failure to respond to the customer or where the registered firm fails or refuses to co-operate with the scheme operator in the resolution of the complaint, the scheme operator shall treat this as a disciplinary matter (see section 5b below). If a customer unreasonably refuses access for the firm to complete the work or remedy defects, the scheme operator may terminate the complaints process</p> <p>The scheme should normally require complaints to be made to it in writing, and keep a record of all correspondence, evidence gathered, etc. Complaints forms, if used, should not be constructed so as to deter complainants.</p> <p>Where the scheme chooses to offer an on-site inspection as a means of facilitating resolution of the dispute, it may opt to make a charge representative of the cost of such inspection to either or both parties as appropriate.</p> <p>As a minimum, the complaints arrangements must deal with complaints about workmanship, materials and customer service. Other matters such as payment disputes or failure to follow other aspects of the scheme operators Code of Practice may be included within the scope of the arrangements if the Scheme operator wishes. The scheme operator may, in the case of complaints that involve withholding of payments for defective, incomplete or disputed work, provide escrow accounts or other arrangements for the withheld monies to be paid into to help facilitate settlement of the dispute</p> <p>Where the complaint relates to the operation of the scheme itself rather than a member firm, the scheme operator must inform the complainant of their right to escalate their complaint to the TM Board via its Secretariat should they not be</p>

	<p>satisfied with the scheme’s response.</p> <p>If a complaint is being ‘multi-tracked’ i.e. made to several scheme operators or trade bodies or to Trading Standards, the scheme operator may suspend its own arrangements. Alternatively, it may agree to hand over a complaint or take the leading role in handling the complaint. If either party resorts to legal action, the scheme operator may suspend or end the complaints process. A scheme operator should consider in its complaints process any relevant decision made by a court, if the decision is drawn to its attention.</p> <p>Scheme operators may include appeals arrangements in their procedures and disciplinary arrangements, to which either party may have access. As with disciplinary processes (see 5a below) there must be an adequate element of independence in complaints resolution procedures to ensure decisions are not influenced by commercial considerations or personal relationships. Normally this requires that at least 50% of any decision-making body should be independent of the organisation and its membership, and should ideally include input from consumer or trading standards interests. The scheme should also ensure input of adequate technical expertise into complaints investigation.</p> <p>Scheme operators should form close working relationships with their home Trading Standards authority (the ‘home authority’ approach is well established with Trading Standards offices) to enable Trading Standards officers around the country to refer complaints received from consumers to scheme operators and for scheme operators to support action for misrepresentation of the scheme or misuse of its logo</p>
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<b>4(d)</b>	<p><b>These shall include (Stage 3) the availability to both parties, in the event the resolution process is not successful, of a low-cost independent redress mechanism to act as an alternative to seeking court action in the first instance</b></p>
	<p><b>Our Aim</b></p> <p>To ensure that where a scheme has been unable to resolve a dispute, the parties can be offered a further low-cost resolution mechanism as an alternative to immediate legal action</p>
	<p><b>Further information</b></p> <p>The scheme complaints system should incorporate an appropriate redress mechanism to which the parties are referred in the event the scheme is unable to resolve the dispute. Examples of suitable redress mechanisms that the scheme operator may offer include:</p> <ul style="list-style-type: none"> <li>▪ Adjudication</li> <li>▪ Mediation</li> <li>▪ Arbitration</li> <li>▪ Conciliation</li> </ul> <p>The parties may agree, either at the outset or on conclusion, that the outcome of the redress mechanism is binding on them both. In the case of arbitration the decision is binding by law as is the case in adjudication. The parties normally agree to accept the decision of a conciliator before the conciliation commences.</p> <p>In general terms the Board would expect this Stage 3 mechanism to be funded by the parties to the dispute rather than the scheme</p>

## 5. Disciplinary processes

5(a)	<p><b>An Approved Scheme shall have disciplinary procedures to deal with cases of member non-compliance with the scheme’s requirements and standards, which provide an appropriate range of sanctions including termination of scheme membership for serious cases. These shall include sufficient independent elements to counter any potential conflicts of interest with the scheme operator’s commercial interests or other activities</b></p>
	<p><b>Our Aim</b> To ensure that the TM Board and scheme members can be confident that scheme standards will be enforced effectively, fairly and impartially</p>
	<p><b>Further information</b> Applicants should provide documentation outlining:</p> <ul style="list-style-type: none"> <li>▪ how the scheme will use information from monitoring processes, complaints and other sources to identify problem members</li> <li>▪ the disciplinary process, including composition of the disciplinary body, time limits for remedial action, any appeals process, etc.</li> <li>▪ the range of sanctions that may be applied and the criteria governing these</li> </ul> <p>For existing schemes the Board will also seek evidence of its effective operation</p> <p>There must be an adequate element of independence in disciplinary decision-making procedures to ensure decisions are not influenced by commercial considerations or personal relationships. The Board will normally apply the OFT CCAS requirement that at least 50% of any decision-making body should be independent of the organisation and its membership, and should ideally include input from consumer interests</p> <p>The scheme operator should have a range of sanctions that it can apply to TM firms who fail to deal properly with complaints or where a complaint is upheld. The sanctions should be proportionate and appropriate to the seriousness of the complaint and may range from warning letters through to termination of membership of the TM scheme. However, in order to maintain the credibility of the scheme and TM, where a member is not cooperating in resolving a significant issue where the scheme considers them clearly in the wrong, the Board would normally expect that the member be expelled and the customer supported in taking further action.</p> <p>Where a TM firm is removed from one scheme, they are not automatically removed from other schemes of which they may be members. However, information on removals and expulsions should be shared and used by other scheme operators. Expulsions should always be notified to the relevant Trading Standards office.</p>

## 6. Warranty protection

6	<p><b>Approved Scheme members shall provide consumers with the option of a warranty covering prepayments and rectification of defects or major damage, including non-compliance with building regulations in the event of a registered firm ceasing to trade. The terms and backing for the warranty shall be agreed with the TM Board and shall comply with UK statutory requirements</b></p>
	<p><b>Our Aim</b> To provide consumers with the option of purchasing financial protection to cover the possibility of a TM registered firm ceasing to trade through insolvency or other causes, and also where possible a firm’s refusal to complete the work or rectify defects or damage.</p>

**Further information**

The Board will wish to agree as part of scheme approval the proposed warranty arrangements, including the terms, backing, and arrangements through which consumers are made aware of the warranty's availability; it must similarly agree any subsequent changes. The financial protection may be provided by insurance backed warranties, bonds or a combination of the two, but the proposed arrangements must provide a satisfactory level of assurance that valid claims will be met. The Board's strong preference is for UK or EU-regulated arrangements

Schemes may put forward a list of different warranty arrangements and providers that will be available to members or a set of criteria under which it will approve firms' proposed warranty arrangements (though a simple stipulation by the scheme that members must be in a position to offer the warranty, with no oversight by the scheme of what warranty arrangements are used, is unlikely to be acceptable). All warranties must comply with statutory requirements including compliance with the Financial Services Markets Act 2000 requirements that came into force 14 January 2005. In the short term the TM Board will request as part of the process of approving new TM schemes, confirmation the proposed arrangements for handling warranty take-up with consumers comply with the Act.

While there is not a strict requirement that the warranty should incorporate cover for default situations, the TM Board considers this highly desirable. In any case – but particularly where the warranty does not cover default situations – a robust set of arrangements needs to be in place to ensure consumers are supported in the event of a scheme member unreasonably refusing to cooperate with a scheme's efforts to put matters right. Such arrangements are likely to include an appropriate combination of :

- robust disciplinary policies and
- the scheme itself undertaking to put matters right, or
- active support to the consumer in seeking legal redress.

The notes below outline the minimum requirements the Board would normally expect to see in a warranty arrangement, though recognising the limited capacity for warranty cover in the RMI sector it will take into account issues of commercial insurability as part of considering any proposals. Schemes are free to offer terms that exceed the minimum criteria, and indeed may choose to include elements of cover as a built-in part of the job rather than their being optional 'add-ons'.

**Scope:** The option of financial protection is intended to protect individual private homeowners who have contracted with a TM registered firm to have work carried out on their own home. Schemes or their members may choose to agree with the insurer the availability of protection to other clients such as businesses, local authorities, or social landlords, but this is not a TM requirement.

Cover should be available for individual contracts up to £50,000 (including VAT), higher value contracts may be covered by arrangement but are again outside the scope of TM requirements.

The offer of a Warranty by the registered firm is a TM requirement for any job over £250 in value (including VAT but excluding the cost of any installed equipment covered by manufacturers warranty); schemes and their firms may of course opt to offer the warranty for smaller jobs.

**Details of cover offered:** In the event of a TM registered firm ceasing to trade, and also where possible refusing to complete the work, or refusing to remedy a defect or

major damage (i.e. damage due to defective materials, design or workmanship which would require substantial or wholesale rebuilding or repair of the Structure or Building Envelope), the warranty should provide the customer with the following financial protection:

**1. Before completion**

- Protection against loss of deposit or advance payments
- Extra costs of completing the work to the agreed specification

Minimum limits of protection to be £10,000 or 25% of the contract value, whichever is the lower. This protection to be provided for a minimum period of 30 days after an appropriately defined completion date

Where a scheme's primary focus is on a sector in which taking of substantial deposits is part of normal trading practice – e.g. kitchen & bathroom installations or double-glazing sales – consumer deposit cover should be a standard offering built onto the job rather than being an optional add-on

**2. After completion, for a period of two years**

Protection against defective materials, design or workmanship  
Minimum limits of protection to be 100% of the contract value.

**3. After completion, for a further four years (giving a total of six years)**

Protection against Major Damage or faulty weatherproofing to the Structure or Building Envelope (foundations, load bearing walls and floors, roof structures and coverings, window and door frames and glazing, external wall rendering, boarding or tiling, floor screeds) due to defective design, materials or workmanship, or acknowledged damage that would result from imminent collapse of the building structure, or breach of statutory Building Regulations which results in an imminent danger to physical health and safety.  
Minimum limits of protection to be 100% of the contract value.

The above protections should pass to subsequent owners of the property without cost or the need for it to be assigned

**Exclusions and limitations:** the following may be excluded or limited in cover

- Installed equipment (e.g. central heating boilers) covered by the manufacturer's guarantee
- Damage or defects caused by - sonic bangs, war, radiation, accidental, malicious and storm damage, alterations and modifications carried out at a later date to the works, previous defects discoverable by survey on sale or transfer of the property, wear and tear, normal dampness, condensation, mould, shrinkage, contamination, changes in the water table and risks insured by statutory or other insurance or financial protection arrangements
- Consequential or incidental losses including professional and legal fees and alternative accommodation
- Designs and/or materials provided by the customer

The maximum excess on claims or minimum claim value should be £50.

## 7. Branding & communication

7(a)	<p><b>An Approved Scheme shall use and license its Registered Firms to use the TM Mark in association with its own branding, via arrangements agreed with the TM Board. The scheme shall also commit to work with local Trading Standards where evidence of misuse of their brand and the associated TM Mark is uncovered</b></p>
	<p><b>Our Aim</b> To ensure that approved schemes and their members are visibly associated with TM, and that unauthorised use of the mark by non-members is policed</p>
	<p><b>Further information</b> The Board will want to agree with the scheme guidelines governing use of the TM Mark by the scheme and its members, including arrangements through which the scheme will police inappropriate use of the Mark: the normal approach will be to review and agree the necessary extensions to the scheme's existing guidelines and procedures governing the use of its own brand.</p>

7(b)	<p><b>Approved Schemes and their Registered Firms shall commit to publicising TM and its benefits as part of their scheme communication activities</b></p>
	<p><b>Our Aim</b> To ensure that schemes and their members play a full part in building awareness of TM, and that consumers understand the benefits of using a TM registered firm</p>
	<p><b>Further information</b> Most TM schemes will have an active communication programme aimed at publicising the scheme and its benefits to consumers and to the trade. A key element of the TM promotional strategy is that TM be publicised as an integral part of such programmes. Applicants should describe their communications activities and how TM will be incorporated into these.</p> <p>In addition as part of the TM operator's licence Scheme operators will be asked to commit to play their part in upholding the integrity and credibility of TM</p> <p>It is essential that consumers have a clear understanding of the benefits and entitlements that accompany use of a scheme member, including specifically:</p> <ul style="list-style-type: none"> <li>▪ The availability of an optional warranty</li> <li>▪ Details of the scheme's complaints process and how to access it</li> <li>▪ The offer to initiate any necessary building control notifications or, in the case of schemes with Competent Persons authorisation, the provision of a certificate of compliance.</li> </ul> <p>Applicants should outline how the scheme will ensure consumers will be made aware of these and other features of the scheme. One potential approach is for the scheme to provide its members with copies of a leaflet summarising the above and other relevant information, that the firm includes with quotes or other documentation provided to the customer.</p>

7(c)	<p><b>Approved Schemes shall provide facilities through which consumers can identify members in their geographic area, and can check that a firm claiming to be a scheme member is in fact registered with that scheme</b></p>
	<p><b>Our Aim</b> To ensure that consumers have easy access to details of TM registered firms relevant to their project and geographic area, to encourage use of such firms and</p>

	provide them with a route to market. Also to provide a mechanism for policing misrepresentation of TM scheme membership
	<p><b>Further information</b></p> <p>Applicants should provide a full description of the facilities to be provided. Schemes should wherever possible provide a web-based database of registered scheme members (or, for consumer referral purposes, those wishing to be listed), as well as a telephone referral service. Where the scheme will cover multiple TM sectors applicants should explain how consumers will be able to focus their search on firms in their desired sector</p>

## 8. Monitoring by TM Board

8	<p><b>Approved Schemes shall commit to allowing the TM Board and Secretariat (and ODPM in the case of Competent Person schemes) to monitor the scheme periodically to confirm it continues to operate to appropriate standards and within the rules of the scheme, and to providing management information and copies of quality management audit reports to a form and frequency agreed during the approval process</b></p>
	<p><b>Our Aim</b></p> <p>To ensure that the TM Board is able to satisfy itself that the scheme continues to meet their and consumers' expectations associated with the TM Mark</p>
	<p><b>Further information</b></p> <p>As part of the approval process the Board will seek to agree with the applicant the framework through which it will routinely monitor the scheme's operation once approved. This will normally be based on two elements:</p> <ul style="list-style-type: none"> <li>▪ Initial accreditation/certification assessments and subsequent annual follow-up reports from the agreed Accreditation/Certification Body in line with the provisions of criterion 1(c) above</li> <li>▪ Agreed management information statistics and underlying performance indicators that will be used both by the scheme and the Board to provide assurance of its effective operation. The Board will seek to build on existing internal scheme management information reporting, but will wish to ensure the content and frequency are adequate for its purposes. It will particularly wish to see statistical information covering the scheme's entry vetting, monitoring, complaints and disciplinary processes.</li> </ul> <p>In addition to routine monitoring the Board may request the scheme's cooperation in investigating complaints it has received concerning the operation of the scheme. Also, if as a result of such complaints, routine monitoring information or other sources it develops concerns about any aspect of a scheme, it may request further information on an ad-hoc basis.</p> <p>In the case of domestic Competent Persons schemes the agreed arrangements will incorporate ODPM's monitoring requirements</p>

## ***Additional criteria for Competent Persons Scheme operators***

Criteria for Competent Persons authorization are defined by ODPM rather than the TM Board. This section and other CP scheme-related information in this document is provided to assist applicants, however for definitive guidance reference should be made to ODPM directly.

<b>1</b>	<b>The organisation</b> <ul style="list-style-type: none"><li>▪ CP schemes are required to be ‘ring-fenced’ financially and in governance terms from the sponsoring organisation, to ensure a clear separation of funding and interests between the CP scheme and that organisation.</li><li>▪ ODPM specifically require CP schemes to commit to work toward UKAS EN450xx accreditation; ISO 9001:2000 certification is not an acceptable alternative</li></ul>
<b>3</b>	<b>Member assessment &amp; monitoring</b> <ul style="list-style-type: none"><li>▪ ODPM will place particular emphasis on ensuring that schemes’ competence assessment, monitoring and complaints processes ensure proper member understanding of and compliance with the relevant Building Regulations, and that the scheme has access to adequate technical expertise for this purpose.</li><li>▪ To support this, entry assessment and monitoring requirements are likely to be more stringent than those applicable to TM schemes generally, e.g. in terms of the frequency with which members’ work is inspected</li></ul>
<b>6</b>	<b>Warranty protection</b> <ul style="list-style-type: none"><li>▪ While TM permits small jobs to be excluded from the requirement to offer a consumer warranty, and allows it to be limited to individuals having work done on their own home, CP schemes require the warranty to be offered for all work and any type of customer</li></ul>
<b>Other</b>	<b>Certification &amp; Local Authority Notification</b> <ul style="list-style-type: none"><li>▪ Domestic Competent Persons schemes must provide a system ensuring that Building Regulations Compliance certificates are issued to customers, and that information is provided to Local Authorities in suitable paper and/or electronic form, in respect of work completed under the scope of the scheme</li></ul>

## **Annex A: Glossary**

**Scheme** – arrangements set up by an organisation to benefit its members and their customers, typically involving vetting of members prior to entry, a member code of practice, monitoring of members' standards, handling of customer complaints against members, and taking disciplinary action to ensure scheme standards are maintained

**TM Approved Scheme:** a defined set of membership criteria, processes and organisational arrangements that the TM Board has Approved as meeting the TM core approval criteria

**TM Approved Scheme operator** – the organisation responsible for managing a TM Approved Scheme

**TM Registered firm** – a firm that is a member of a TM Approved Scheme

**TrustMark (TM)** – the framework of the TM governance arrangements, core criteria and Mark, with the set of Approved Schemes operated under that framework

**Competent Persons (CP) Scheme** – a scheme authorised by ODPM under the Building Act 1984, conferring on its members the ability to self-certify their work as complying with Building Regulations

**Consumer Codes Approval Scheme (CCAS)** – a set of Office of Fair Trading-sponsored approval criteria for codes of practice operated by organisations within an industry sector and focused on consumer protection. The TM core criteria incorporate most relevant elements of those for CCAS

**TM Board** – the governing body for the TrustMark with ownership of the template, and its future development, and final decision-making on grant or removal of licences.

**TM Forum** – the body representing all Approved Scheme Operators (plus those whose applications are under consideration)