



Home Warranty
Insurance Fund

Building Contract Review Program Complaints and Disputes Procedures

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1.0	08/07/2013	Rebecca Hay	Approved	Updating Managed Builder Program document for Building Contract Review Program. This document also clarifies the Service Standards listed in Schedule 5A of the BCRP Services Agreement.

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1 INTRODUCTION

1.1 Background and context

Home warranty insurance is part of a comprehensive consumer protection regime for homeowners undertaking a building project. The home warranty insurance scheme is an integral component of the NSW Government's consumer protection strategy for homeowners having building work undertaken in New South Wales.

The Building Contract Review Program (BCRP) aims to assist new entrants to the building industry, as well as existing small to medium builders. Builders who satisfy minimum Eligibility¹ requirements and who do not have the required level of equity in their business, or, are unable to or elect not to provide security can participate in the BCRP as a condition of obtaining Eligibility for contracts of \$50,000 and over. Builders in these situations can choose an external BCRP service provider that suits their needs from a panel of authorised service providers.

In some situations, builders may wish to take on one-off projects that are outside their Eligibility approval and a BCRP service provider may be utilised for this purpose. The BCRP allows builders to continue their business while at the same time providing suitable protection for homeowners and the NSW Home Warranty Insurance Fund.

¹ 'Eligibility' is the term used to describe the entitlement that a builder has to apply for a Certificate of Insurance for home building projects, and the conditions under which the Certificate of Insurance may be granted.

2 OBJECTIVES AND SCOPE

2.1 Objectives

The objective of this document is to provide a detailed guideline for the handling of complaints and disputes (as defined in section 2.3) in relation to service standards, conduct or alleged breaches of the BCRP Agreement² by the BCRP service providers.

2.2 Scope

Builders should be managed in the same way and be subject to the same requirements regardless of the BCRP service provider chosen (i.e. the provision of BCRP services should be seamless regardless of which service provider manages the services on behalf of the HWIF).

Where a builder, or a broker on behalf of a builder, is dissatisfied with a BCRP service provider; it is important that a consistent set of guidelines and procedures are established and followed to manage complaints and any escalated disputes requiring resolution.

Where appropriate, this may result in some cases being referred as a dispute from the BCRP service provider to the HWIF in order that a further review and investigation of the cases can be undertaken.

2.3 Definitions

Complaint: any expression of dissatisfaction with a product or service offered or provided by the HWIF or its BCRP service providers.

Dispute: a complaint that has been considered and responded to by the BCRP service provider and the complainant is not satisfied with the outcome.

Note: A complaint is to be distinguished from an enquiry. A complaint will only arise for the purposes of reporting to HWIF where the person making the complaint requests the complaint to be registered or to be referred to the internal dispute handling process of the BCRP service provider. A BCRP service provider that receives a complaint must ask the complainant whether or not that person wishes the complaint to be registered or referred to the internal dispute settlement process.

² A sample BCRP Agreement is available on the Home Warranty Insurance Fund website at www.homewarranty.nsw.gov.au

3.1 Overview of the complaint handling process

Complaints

The BCRP Service Providers are each required to establish and maintain an internal complaints handling process for its BCRP business that are approved by the HWIF. Each BCRP service provider must make details of its complaints handling process and contact details publicly available on its internet web site.

A builder, or a broker on behalf of the builder, is to have the opportunity, within reasonable timeframes, to complain about the level of service provided by a BCRP in relation to its BCRP services provided on behalf of the HWIF.

In the first instance, complaints regarding service standards, conduct or alleged breaches of the BCRP Agreement by the BCRP service providers (whether lodged personally, by telephone, e-mail or in writing) should be handled by the BCRP service provider in accordance with the BCRP service provider's internal complaint handling and dispute resolution procedures. The response to the complaint should also provide information about the dispute resolution process of the HWIF and how to access the dispute resolution process.

Referral of Disputes to HWIF

Where a complainant is not satisfied with the outcome of the BCRP service provider's review of the original complaint they may request that the matter to be referred by the BCRP service provider to the HWIF for review. A referral to the HWIF is to be formally submitted by the BCRP service provider, in writing (including e-mail) to the HWIF and be accompanied by all case information (including supporting documentation submitted by, or on behalf of, the complainant) in order for a review to be undertaken.

Disputes arising from a decision of a BCRP service provider in relation to a matter that is within the scope of the BCRP or any instructions, guidelines or written directions given from time to time by the HWIF and which is based on factual evidence are not generally to be referred to the HWIF unless directed or otherwise agreed by the HWIF. For example, the HWIF will not consider a dispute that arises from a BCRP service provider undertaking the services listed in the sample BCRP Agreement available on the Home Warranty Insurance Fund website at www.homewarranty.nsw.gov.au.

The HWIF will consider the submissions of the complainant and BCRP service provider and then determine the dispute and notify the BCRP service provider of the decision. The BCRP service provider is to implement the decision, which is final and binding, as soon as practicable. The BCRP service provider is also to notify the complainant of the decision and include contact details for the HWIF should information be required about the decision.

Registering complaints

The BCRP service providers are also required to establish a register of complaints or disputes and on the register record the nature of each complaint or dispute and how it was resolved.

Each BCRP service provider reports to the HWIF information from the register in respect of complaints each month.

4.1 Complaints service levels– BCRP service provider

- Complaints regarding service standards, conduct or alleged breaches of the BCRP Agreement by the BCRP service providers (whether lodged personally, by telephone, e-mail or in writing) should be handled by the BCRP service provider in accordance with their internal complaint handling and dispute resolution procedures.
- Oral complaints will be acknowledged immediately and written complaints within **3 business days** advising the complainant of the complaint handling procedure.
- Complaints will be investigated and a response provided in writing within **15 business days** of receipt of the complaint provided the BCRP service provider has all the necessary information and has completed any investigation that may be required.
- In cases where further information, assessment or investigation is required, reasonable alternative timeframes will be agreed.
- Complainants will be kept informed of the progress of the response to their complaint.
- The response to the complaint should also provide information about the dispute resolution process of the HWIF and how to access the dispute resolution process.
- If a complainant is not satisfied with the outcome of the BCRP service provider's review of the original complaint they may request that the matter to be referred by the BCRP service provider to the HWIF for review.
- Referral of a dispute to the HWIF by a BCRP service provider is to occur within **3 business days** of the BCRP service provider being notified of the complainant's request that the dispute be referred to the HWIF.
- A referral to the HWIF is to be formally submitted by the BCRP service provider in writing (including e-mail) to the HWIF and be accompanied by all case information (including supporting documentation submitted by, or on behalf of, the complainant) in order for a review to be undertaken.

4.2 Complaints service levels– HWIF

- The HWIF will contact the complainant within **5 business days** of receiving a dispute to acknowledge receipt and to provide a contact name for enquiries and a timeframe for determining the matter.
- The HWIF must ensure that the matter is considered by an appropriate officer within **10 business days** of receipt by the HWIF of the dispute.
- The HWIF Risk Manager will consider the submissions by the BCRP service provider and by, or on behalf of, the complainant.

- The HWIF will then formally determine the dispute (via a sign-off by the Manager, Home Warranty Insurance Fund or Director, NSW Self Insurance Corporation) and notify the BCRP service provider in writing of the decision within **3 business days** of the sign-off.
- The BCRP service provider is to implement the decision, which is final and binding, as soon as practicable.
- The BCRP service provider is also to notify the complainant in writing of the decision within **3 business days** of its receipt of the decision and include contact details for the HWIF should information be required about the decision.

5 SERVICE STANDARDS FOR BCRP SERVICE PROVIDERS

The following quantitative service standards apply to BCRP service providers in providing, on behalf of HWIF, BCRP services.

Building Contract Review Program (BCRP) Service Standards

Service Standards – Builder Services	Timeframe
Advise Builder/Broker of missing information required to enable completion of any service associated with the BCRP, including application form and/or any of components 1 – 4	Within 1 Business Day of receipt of associated information
Advise Builder/Broker of any delay in completion of any service associated with the BCRP, including application form and/or any of components 1 – 4 and the likely length of and reasons for the delay	Within 1 Business Day of becoming aware
Process Application Form	Within 2 Business Days of receipt of fully completed form
Contact Builder after receipt of signed BCRP Builder Agreement	Within 2 Business Days of receipt of signed BCRP Builder Agreement
Complete Component 1 of BCRP	Within 3 Business Days of receipt of Builder Agreement and associated documentation
Complete Component 2 of BCRP	Within 3 Business Days of receipt of Builder Agreement and associated documentation
Complete Component 3 of BCRP	Within 3 Business days of receipt of Builder Agreement and associated documentation
Notify Insurance Agent where Builder does not satisfactorily complete the requirements of BCRP Components 1, 2 and 3.	Within 7 days of the due date of the requested information
Notify Insurance Agent where Builder has already commenced works under the building contract for the project.	Immediately
Complete activities under Component 4 of BCRP	Within 2 Business Days of receipt of notification by Builder
Provide completed Builder Performance Review Reports to Builder and Insurance Agent	Next Business Day after site visit and/or remote site assessment
Reporting to Principal (through Insurance Agent) concerns regarding Builder's capacity to complete existing projects or take on new work	Within 1 Business Day of date of awareness
Complete Component 5 of BCRP	Within 7 Business Days of the final BCRP Component 4 Builder performance review

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PROCESS FLOW

6.1 Complaint handling and dispute resolution process flow

