



Shared Ownership Code



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Introduction

About the Shared Ownership Code

Today, around 250,000 households are in shared ownership, but despite representing just 1% of the total housing stock, it accounts for 5-10% of new homes built, depending on the region. For many people, shared ownership offers the only affordable pathway to owning a home.

However, the shared owner experience is not consistently meeting expectations. We understand there are challenges with the shared ownership product that must be addressed - and that is what the Shared Ownership Code (the Code) is designed to do.

The Code has been designed to improve transparency, fairness, and service quality for shared owners. It builds on and complements existing regulation, raising standards across the sector, and improving outcomes for shared owners.

The Code includes:

- **A Statement of Principles:** These are the core commitments Code adopters agree to uphold in their dealings with shared owners and prospective shared owners. These appear before the main body of the Code and serve as the foundation for all that follows.
- **Requirements within each section of the Code:** These practical steps set out what providers must do to meet the expectations of the Code. These are grouped under five headings:
 - 1) Accessibility;
 - 2) Exploring shared ownership;
 - 3) Living as a shared owner;
 - 4) Moving as a shared owner; and
 - 5) Making complaints, monitoring, and data.

Becoming an adopter of the Shared Ownership Code

The Shared Ownership Code is a voluntary code established by the Shared Ownership Council. The Code is operated by the New Homes Quality Board (NHQB).

What is required to become a Code Adopter

To become a registered Code Adopter, housing providers must first apply and commit to paying the annual membership fee. They are then a 'pending Code Adopter' and can access resources to support them in the adoption process.

This process involves:

- completing any required onboarding or training processes;
- introducing or updating internal policies and practices to meet the Code's standards;
- agreeing to provide evidence of their compliance with the Code; and
- attesting compliance with the Code.

Once attested, providers are permitted to use the Shared Ownership Code Adopter badge, which demonstrates their commitment to consumer protections and high standards.

What being a registered Code Adopter means in practice

Adopters of the Code commit to:

- following the Code's overarching seven principles;
- implementing all relevant parts of the Code for homes sold and managed under shared ownership;
- cooperating with Code monitoring processes;
- participating in the Code operator's annual review and improvement processes; and
- accepting decisions made by the Shared Ownership Code's membership committee.

Where a provider fails to meet the standards, the Code operator may remove their registration status and use of the Shared Ownership Code badge.

Statement of Principles

Principles

The section below sets out the overarching principles that providers agree to follow to benefit shared owners:

1. Clarity of information

Ensure shared owners and prospective shared owners have clear information on what shared ownership is, their responsibilities as shared owners, and the responsibilities of providers to them.

2. Cost transparency

Make clear what the different categories of costs are for shared owners and how they may change over time. Have clear, accessible procedures to support shared owners navigating these costs.

3. Parity

Ensure that shared owners buying new homes enjoy similar standards of sales transparency and completion as with other new homeowners.

4. Staircasing and selling

Establish clear and accessible policies on staircasing and selling, and signpost shared owners to comprehensive information and guidance to help them understand and navigate the staircasing and selling processes.

5. Unplanned costs

Offer options to support shared owners to better manage unplanned costs, and where suitable, steer them towards external guidance.

6. Service charges

Have clear policies on how to address shared owners' service requests and complaints, and seek to resolve them promptly.

7. Vulnerable customers

Ensure that people with a disability who rely on benefits for their income are given an equal opportunity to buy a shared ownership home.

A note on interface with existing industry regulations and guidance

At the top of the Shared Ownership Code's five sections is a table setting out some of the existing regulations and guidance that are relevant to that section of the Code. The purpose of including this is to help show where this Code interfaces with some of those, and to signpost others' guidance.

These tables provide snapshots of the regulatory and guidance context that were noted when the Code was developed. This context will continually change, but the Code (and these tables) will not automatically update. Providers should check the relevant regulation or guidance themselves where they place any reliance on it.

A core set of existing rules is, of course, Homes England's Capital Funding Guide (CFG). References to paragraph numbers within the Homes England Capital Funding Guide, Shared Ownership Chapter, are based on the 4 March 2025 version. The CFG paragraph numbers can change due to the publication of content updates. Historic versions of the CFG are saved in the National Archives – see [Capital Funding Guide Library and Updates](#). We recommend that providers keep themselves updated on changes to CFG content [by signing up to receive regular email alerts](#) from GOV.UK.

The GLA's Capital Funding Guide is available here: [Affordable Housing Capital Funding Guide | London City Hall](#). References to it are not included in a granular way, only for reasons of available time.

The Code

Part One: Accessibility

Existing industry regulations and guidance:

Regulation/ Guidance	Description	Current applicability	Relation to Code
<u>UKRN identifying vulnerable customers</u>	Guidance for how firms can identify customers who may be vulnerable.	Guidance for business - not mandatory.	Code item 1.1 includes provisions on vulnerability.
NHQB Developer Guidance - section 1.5	Guidance on considering vulnerable customers in home purchases.	Purchasers of new homes.	Code item 1.1 includes provisions on vulnerability.
<u>Homes England Capital Funding guide, Shared Ownership Chapter (updated 4 March 2025) - section 6.4.4</u>	Covers ensuring customers with protected characteristics are not disadvantaged.	Homes England funded properties.	Code item 1.2 makes this mandatory for Code members.

1.1 Identifying vulnerability: Providers must take steps to identify and provide appropriate support to vulnerable shared owners and prospective shared owners. They must make sure that information relevant to them is available to all shared owners, including in appropriate formats and languages. Further guidance is in section 1.5 of the [New Homes Quality Code \(NHQC\)](#).

1.2 Protected groups: When establishing their policies, providers must ensure they do not disadvantage groups with protected characteristics. For example, providers should not adopt policies that penalise applicants who are reliant on income from benefits (in part or in whole), or policies that discriminate against applicants based on their visa or residency status.

Part Two: Exploring shared ownership

Existing industry regulations and guidance:

Regulation/ Guidance	Description	Current applicability	Relation to Code
Digital Markets, Competition and Consumers Act 2024 (DMCCA 2024)	Prohibits misleading actions and omissions in marketing materials.	This applies to all businesses in their dealings with individual consumers.	Items 2.2 and 2.4 restates the obligation.
<u>ASA CAP guidance on shared ownership</u>	Guidance, including recent rulings on shared ownership marketing.	Applies to marketing of all shared ownership properties.	Items 2.2, 2.6, 2.7 and 2.8 restates guidance relating to recent ASA rulings.

Regulation/ Guidance	Description	Current applicability	Relation to Code
<u>Shared ownership model lease</u>	The lease sets out the rights and obligations of both the provider and the shared owner.	Technically applies to grant funded shared ownership properties only – in practice widely used.	Item 2.10 expands fundamental clauses to all standard shared ownership properties delivered through s106, and item 2.11 expands most fundamental clauses to Older Persons Shared Ownership (OPSO) delivered through s106.
<u>Key information documents (KIDs)</u> <u>AHP 2021- 2026 KIDs</u> <u>SOAHP 2021- 2026 KIDs</u>	KIDs help prospective shared owners decide if it is the right product for them ahead of purchase.	Technically applies to grant funded shared ownership properties only – in practice widely used.	Item 2.14 expands to all shared ownership properties.
<u>New Homes Quality Code</u> <u>Consumer code for home builders</u> <u>Consumer code for new homes</u>	Codes to improve quality of experience and protection of consumers purchasing a new home.	These are not applicable to shared ownership homes.	Item 2.20 requires providers to comply with the New Homes Quality Code fundamental principles.

Transparency of process and fees

2.1 Allocations policy: Providers must publish their allocations policy for shared ownership homes on their website.

2.2 Pressure selling: Providers must not use high-pressure selling techniques to influence a customer's decision. This includes but is not limited to:

1. Encouraging a customer to reserve or buy a new home by suggesting there are other people interested in the property or that the price will soon increase (if this is not true).
2. Offering a financial incentive in return for an immediate decision to reserve or buy a new shared ownership home.
3. Encouraging a shared owner to reserve a new home by telling them they will lose the opportunity to personalise it, when the stage of construction would still allow this.
4. Linking a financial incentive to the purchase only if a prospective shared owner uses a specific third-party professional adviser, such as a conveyancer or mortgage broker.
5. Suggesting that a sale may not go ahead unless a prospective shared owner uses a specific third-party professional adviser, such as a conveyancer or mortgage broker.

2.3 Reservation fees: There is a 14-day cooling-off period, during which the customer can cancel the agreement and receive a refund of the reservation fee, subject to compliance with anti-money laundering regulations. These rights must be communicated clearly to consumers before they pay the reservation fee.

The Reservation Agreement may set out deductions that will be taken from the refund the customer will receive if they cancel the reservation after the 14-day cooling-off period has lapsed. The provider must refund the reservation fee, less any deductions set out in the Reservation Agreement, within 14 days of the date of the customer's notice of cancellation, subject to compliance with anti-money laundering regulations.

2.4 Referral fees: If the provider receives referral fees for recommending certain products or services, the consumer must be informed of this fact, and the amount of commission, at the point of recommendation.

2.5 Service charge discounts: Providers must not discount initial service charges. Where a provider applies a discount to the scheme, this must be applied to the purchase price, not to service charges.

Providers are permitted to diverge from this requirement only in cases where they are:

1. subject to a contract already entered into with the purchaser that includes a service charge discount; or
2. bound by a pre-existing Section 106 agreement with a local authority - entered into before the provider adopted the Code - which requires a service charge discount.

Advertising language

2.6 Shared ownership transparency: Any advertising and marketing material must make it clear that it is presenting or referring to a shared ownership scheme.

2.7 Material information: Any advertising and marketing collateral must include or signpost to all material information relating to the shared ownership scheme, so consumers are not misled and can make an informed decision to partake in a shared ownership scheme or to find out more. The ASA CAP guidance in the table above includes a section on all material information.

2.8 Ensure qualifications do not contradict: Qualifications in the advert must not contradict the overall impression of the advert. For example, "own your own home" is contradicted by qualifying information on shared ownership.

Pre-contract information and lease

2.9 Code availability: Providers must display Code membership in public areas related to selling shared ownership homes, such as the sales office and selling agents' offices. They must also display Code membership in their sales brochures and website. The Code must be made available free of charge to any customer interested in buying a new shared ownership home in appropriate formats.

2.10 Model Lease s106 (Shared Ownership except OPSO):

Providers entering into Section 106 agreements must use the current model lease from Homes England suite of model leases, or confirm that the lease substantially follows the current model lease and contains the requisite fundamental clauses.

2.11 Model Lease s106 (OPSO): Where providers delivering Section 106 OPSO homes do not include the same stircasing provisions for 1% shares as set out in the grant-funded product, they must clearly explain this in writing to the customer. This explanation must cover how the stircasing offer differs from that in the Affordable Homes Programme OPSO product.

2.12 Model lease non-government backed: Providers delivering properties where no grant is drawn down and it is not under a s106 agreement, must use a lease that includes equivalent conditions to those set out in the Homes England model lease suite in relation to:

1. reasonable and transparent fees; and
2. the provision of a 990-year lease term.

Providers must either include the following clauses to align with the fundamental clause provisions in the model lease or provide a clear written explanation to the customer that these provisions are not included. They should explain that this differs from new shared ownership homes being sold today that are delivered with support from a government grant, and the implications for costs over time.

1. The 10-year initial repairs contribution (where applicable).
2. The ability to staircase in 1% increments.
3. Rent set at below 3% of the unowned portion.
4. Rent increasing at CPI +1% annually.

2.13 Explaining the implications of owning a 75% share (OPSO):

Grant funded providers and section 106 OPSO providers, where applicable, must explicitly communicate at reservation stage that rent is not payable once a 75% share is purchased. Private providers must also clearly explain how rent and other occupancy costs work at and beyond 75% ownership, including whether rent continues to be charged.

2.14 Key Information Documents (KIDs): All providers must share KIDs with prospective shared owners in line with Capital Funding Guide requirements, irrespective of whether the home is grant funded.

2.15 Service Charge Information Documents: If a service charge will apply, then a Service Charge Information Document (SCID) must be completed and presented alongside the Summary of Cost KID by providers to sell new and resale shared ownership homes. The SCID includes information on:

1. block ownership, and arrangement for the provision of services;
2. initial service charges and details of any planned changes; and
3. illustrative scenarios for service charge increases.

Providers may brand the document, but must not alter the content or order of information. During a transitional period until the end of March 2027, providers are not required to use the template if they already supply all of the information in the SCID template to prospective shared owners. However, if they choose not to use the template, they must provide evidence to the Code operator that customers receive this information at the reservation stage through other means.

2.16 Update service charge: Where providers receive an updated service charge estimate for a property during the sales process, they must share it with the prospective shared owner.

2.17 Fee information: Providers must publish a full, comprehensive, and up-to-date list of additional fees and charges across the shared ownership journey (excluding service charges) in one easily accessible location. This list should include:

1. the nature and current monetary amount for fees and charges set and charged by the housing provider, noting that these monetary amounts change from time to time; and
2. the nature of other fees that the shared owner is likely to incur on their shared ownership journey, even when these fees are charged by organisations other than the housing provider.

This fee information must be shared with prospective shared owners and made clearly available on the provider's website, for example, on their transactional website pages.

2.18 Additional details on the property for the conveyancer:

Providers must share the following information with the conveyancer:

- 1. Block ownership:** Any information they have on the other tenures in the block.
- 2. Lease details:** Who owns the freehold of the property (where the provider has this information), and what the provider's lease length is. Where there is a chain of leases, the provider must show each party's lease length (where the provider has this information).
- 3. Arrears:** The impact of arrears and the consequences. This is explored in greater detail in items 3.12 and 3.13 in living as a shared owner.

2.19 Repairs responsibility: The provider must also share details on how shared owners address different types of maintenance issues with their home. This should be shared with the conveyancer before purchase and published on the provider's website. This should include:

1. A list of common maintenance issues and how they are defined between non-essential repairs, essential repairs, defects, and structural issues with the building.
2. Who is responsible for them, and how this changes over time, and where defect periods and structural warranty are included.
3. How to raise issues and specific contact details for relevant parties. This includes:
 - Information on how to make claims on structural warranty. It is expected that this will be flagged to the housing provider and then escalated to the structural warranty provider, depending on the cover agreed in the warranty.
 - Defect resolution processes should be clear, up-to-date, and shared with the consumer at the point of purchase. Any changes to the process must be communicated to the consumer immediately following the decision.

New homes

2.20 [Item is deleted]

2.21 New home demonstration: Providers must schedule a new home demonstration for the buyer before the completion date and within five days after the notice to complete is served. In exceptional cases, the housing provider must explain why this is not possible and suggest alternative ways to provide the demonstration benefits. For existing contracts where shared owners cannot view homes, providers should make their best efforts to facilitate it with the developer.

Other

2.22 Guidance: Where buyers have questions about whether the tenure is right for them, they should be signposted to the necessary resources to help them make this choice, including independent financial advice and appropriate independent consumer-facing resources, which may include:

GOV.UK - A government run website that provides comprehensive information about purchasing a home through shared ownership in England.

Leasehold Advisory Service - A government funded, independent advice service for leaseholders, including shared owners.

Part Three: Living as a shared owner

Existing industry regulations and guidance:

Regulation/ Guidance	Description	Current applicability	Relation to Code
<u>GLA service charges charter</u>	Sets out commitments that housing providers are expected to comply with in order to improve the experience for leaseholders with respect to service charges.	Housing providers in London receiving funding through the AHP are expected to sign up.	Code item 3.1 expands the applicability of the principles of this charter to all providers that are members of the Code.
<u>Capital Funding Guide (updated 4 March 2025) section 4.3.3</u>	Refers to the setting of service charges and their affordability for the intended client group.	Grant funded homes outside of London.	Code item 3.2 makes this applicable to all new shared ownership properties for providers within the Code.

Regulation/ Guidance	Description	Current applicability	Relation to Code	Regulation/ Guidance	Description	Current applicability	Relation to Code
<u>Key information documents (KIDs)</u>	KIDs help prospective shared owners decide if it is the right product for them ahead of purchase.	N/A (see above).	Code item 3.19 restates the obligation to be transparent about fees involved in staircasing and adds a requirement to publish further details on the website.	<u>UKF/NHF Guidance for handling arrears and possessions of shared ownership properties</u>	Supplements the more general guidance in "Shared ownership: Joint guidance for England" to define best practice for handling arrears.	Applicable to lenders and providers involved in the provision of homes funded by a grant.	Code item 3.12 requires providers to follow the guidance for handling arrears and possession of shared ownership properties.
<u>Housing Ombudsman Insight Report on Shared Ownership</u>	A report covering common complaints for shared ownership and best practices to manage them.	Best practice guidance for providers in Housing Ombudsman Service (HOS).	Code item 3.8 requires all providers signed up to the Code to follow best practice guidance quoted.	<u>Code of Practice for the remediation of residential buildings - GOV.UK</u>	Sets clear expectations for those undertaking and managing remediation projects.	Guidance, but all remediation of residential building projects are expected to follow this Code.	This was newly published as the Shared Ownership Code (2025) was finalised and is included here for completeness of other relevant regulations and guidance. It is not referenced in any item within the Shared Ownership Code for housing providers.
<u>Joint Shared Ownership Guidance</u>	The guidance is designed to promote an efficient working relationship between lenders and providers in delivering shared ownership.	Applicable to lenders and providers involved in the provision of homes funded by a grant.	Code item 3.12 requires providers to follow Homes England joint guidance.				

Service charges

3.1 GLA Service Charges Charter: Providers must adhere to the principles and overarching themes of the Charter:

1. Transparency - ensuring leaseholders are provided with the information they need to understand their service charges.
2. Affordability - ensuring the affordability of service charges is a key consideration when setting or reviewing service charges.
3. Design - encouraging design approaches for new build developments that minimise service charges while ensuring high-quality design.
4. Challenge and redress - ensuring that leaseholders are aware of how to challenge their service charges and the routes to redress that are available to them.

3.2 Capital Funding Guide on setting service charges: Providers supported by grant or Section 106 agreements must comply with requirement 4.3.3 of the Capital Funding Guide. This requires service charges to be affordable for the intended client group.

3.3 Ongoing obligations for scrutiny of service charges: Where providers do not directly manage the service charges, they must:

1. ensure the initial service charge set by the service provider is affordable for the intended client group;
2. ensure the scope of services is appropriate for shared ownership; and
3. undertake appropriate scrutiny and ongoing monitoring of the service charges.

3.4 Service charge demands requirements: Both estimated service charge demands and final actual service charge demands must include the following:

1. Providers must communicate the level of the service charge broken down by headings.
2. Providers must clearly explain the reasons for any increases in total service charge costs compared to previous years, where the increase is by more than 10% points above inflation.
3. Providers must clearly explain the reasons for any increases in final service charge costs compared to estimates, where actual service charges are more than 10% points above estimated service charges for that year.
4. If there is a Sinking Fund or Reserve Fund, a statement must be included for the period with the actuals/year-end account showing the opening balance, deductions, interest, and closing balance.
5. Frequently asked questions and where to find relevant, helpful information.
6. The Shared Ownership Code does not allow providers to put in place new caps on service charges (ref: item 2.5), but where a cap exists, providers must give relevant information, including when this capping will end and the anticipated financial impact.

Fees

3.5 Restricting pet fees: Providers will not charge additional fees for processing the enquiry to allow pets into the home. Providers can, however, pass on fees charged by external freeholders to shared owners.

3.6 Charging reasonable fees: Providers must charge reasonable fees for administrative services, such as those related to resales, staircasing, and other customer transactions. Fees must be clearly explained, with transparency about what each fee covers. Fees should be appropriate to the nature and complexity of the service provided.

Defects and repairs

3.7 Defects period: Providers must have a defects period of at least 12 months from the moment that a shared owner completes the transaction to become a shared owner. This requirement will be applicable to all new developments. There will be a transition period, so that where there is an existing agreement or contract with a defects period that does not comply with the Code, providers will not have to follow this provision.

Over time, there is an ambition to increase the defects period to 24 months, in line with new homes codes, and we expect this will be considered as part of a future periodic Code review.

3.8 Repairs coordination: Where the provider has to go to a third party to fix the issues (such as the developer or managing agent), the provider must proactively manage the complaint and provide ongoing communication to the shared owner. This aligns with the Housing Ombudsman spotlight report:

“Landlords must be proactive in handling the defect period with the developer. It is also important to maintain clear communication with the resident to show ownership and responsibility while managing expectations.”

Training

3.9 Staff training plans: Providers must develop clear training plans for all staff involved in shared ownership aimed at ensuring that employees have the necessary knowledge and skills to support shared owners effectively.

3.10 Continuous service improvement: Providers must use complaint management insights (among other sources they choose to use) to review and adjust their evolving staff training programs. The aim of this requirement is to help ensure that lessons learned from complaints directly inform future training needs, leading to continuous service improvement.

3.11 Code training: All staff with responsibilities related to shared ownership - including but not limited to customer-facing roles - must be trained on the requirements of the Code.

Financial hardship

3.12 Rent arrears: Providers must follow the Homes England joint guidance and the UKF/ NHF Guidance for handling rent arrears and possessions of shared ownership properties. This is irrespective of whether the property is grant funded. Alongside this, providers must:

1. Communicate arrears-related information to shared owners in a clear and understandable way, avoiding jargon.
2. Respond promptly to shared owners' queries, providing updates on their arrears status.
3. If rent arrears exceed three months' payments, the provider will notify or consult the mortgage lender about what action is being undertaken. This can be carried out earlier than three months if appropriate.

3.13 Service charge arrears: In addition to requirements on rent arrears, providers should:

1. Proactively manage service charge arrears with shared owners, as set out for rent arrears in points 3.12 - 1 and 2.
2. If service charge arrears exceed three months' payments, the provider will consult the mortgage lender over what action is being undertaken. This can be carried out earlier than three months if appropriate.

3.14 Possession: Providers must not seek possession where a reasonable alternative exists. Where possession is unavoidable, the decision must be taken at an appropriately senior level within the organisation, and the provider must inform the lender of the intended action at least 28 days before serving notice.

3.15 Hardship policies: Providers must have published policies on support for shared owners experiencing financial hardship. These policies should include information on:

- 1. Repayment options:** where a provider enables a shared owner to spread payment over a longer period.
- 2. 'Buy Backs':** where the provider buys back the property from the shared owner.
- 3. Downward stercasing:** where the provider buys back a portion of the equity from the shared owner.
- 4. Subletting:** where the provider allows the shared owners to sublet their properties. This is set out in moving as a shared owner 4.9.

3.16 Hardship support services: Providers must extend relevant services that address hardship available to their other tenants - such as debt advice and employment support - to shared owners. These should be signposted from an appropriate shared owner-facing section of the housing provider's website.

3.17 Guidance: Providers must direct shared owners to free, independent advice services - such as MoneyHelper - that can help them manage or smooth unplanned costs. If a shared owner struggles to pay their rent or service charge, they should also be advised to contact their lender. This information should be clearly published on the housing provider's website.

Stercasing

3.18 Transparency of stercasing process: Information on the stercasing process must be published on the provider website in an accessible format. This should include all the information on stercasing provided in the KIDs.

3.19 Fee transparency: Providers must clearly outline all categories of fees associated with stercasing. In addition to provider fees, this must include solicitors' fees, RICS valuation fees, and mortgage arrangement fees. These fees must be transparently communicated to the share owners and the conveyancer upfront, and published on the provider's website.

3.20 Stercasing requests: Providers must have clear organisational standards in place for responses to stercasing requests, and these standards must be communicated to the shared owner at the point of sale and published on the provider's website. Any changes in these standards should be shared with the shared owner promptly and published on the provider's website.

Part Four: Moving as a shared owner

Existing industry regulations and guidance:

Regulation/ Guidance	Description	Current applicability	Relation to Code
<u>RICS service charge management code</u>	Code designed to promote best practice for service charges for private providers of homes.	These apply where the landlord is not a registered provider.	Code item 4.6 requires providers to follow the RICS code with respect to providing information during the sales process.
<u>Homes England Capital Funding Guide, Shared Ownership Chapter (updated 4 March 2025) section 2.3.3</u>	Refers to the classification of improvements and their impact on staircasing valuations.	Grant funded homes outside of London.	Code item 4.3 refers to this in the context of lease extensions.
<u>Secretary of State letter – Shared ownership building safety</u>	Letter to providers on changes to the Capital Funding Guidance.	Applicable to grant funded homes.	Code item 4.9 makes applicable to all of the providers' government backed shared ownership properties.

4.1 Transparency of selling process: Information on the selling process must be published on the provider's website in an accessible format. This should include all the information on 'selling your home' that is provided in the KIDs.

4.2 Transparency of lease extension process: Information on the lease extension process must be published on the provider's website in an accessible format. This should include all the information on 'lease extensions' provided in the KIDs.

4.3 Leasehold extension cost: Providers must support informal lease extensions up to the housing provider's interest. When doing so, they must adopt one of the following policies:

1. charging a Nil premium for the lease extension;
2. charging a premium which reflects the proportion of the property the shared owner owns; or
3. classifying the lease extension as an improvement (as defined in section 2.3.3 of the Capital Funding Guide), with subsequent staircasing valuations being based on the market value had this improvement not been undertaken.

The policy must be clearly explained and easily accessible on the provider's website.

Providers must also support shared owners seeking to extend their lease with the freeholder (if not the provider) if asked by the shared owner. The provider can include a reasonable charge for the cost where they incur charges.

We do not expect providers to pass on their share of the legal costs to shared owners in anticipation that this will be introduced in the leasehold reform act.

4.4 Leasehold extension notification: When a shared owner's lease length falls to 90 years remaining, providers must inform them of this so that they are aware of the potential need to consider a lease extension. Where data quality or data availability on individual shared owners' lease lengths is prohibitively poor, housing providers must instead regularly (e.g. at least annually) inform their shared owners in correspondence that they should consider extending their lease where it is below 90 years, and encourage them to check the remaining term on their lease.

4.5 Fee transparency: Providers must clearly inform shared owners about the fees associated with reselling their property. This includes marketing fees, RICS valuation fees, legal fees, leasehold information pack fees, energy performance certificate fees, and assignment fees. Fees that the provider charges to shared owners should be reasonable and published on the provider's website in an accessible format.

4.6 Providing information at sale: In line with the RICs residential management code, providers must supply prospective sellers or their representatives with information about the property to satisfy the pre-contract enquiries and any other reasonable enquiries they may have.

Where the provider does not manage the property, the provider must proactively manage the communication. Information must be provided within reasonable timescales, noting the transaction taking place and the potential effects of any delays.

A fee can be charged for providing information; however, this must reflect the level of work carried out.

4.7 Referral fees: At the beginning of the sales process, providers must declare to the prospective shared owner any referral fees they receive for promoting or using preferred selling options or services. This includes disclosing any financial incentives or arrangements with third-party service providers, such as estate agents or solicitors, that may influence the recommendation of specific selling options.

4.8 RICS valuations: Providers must support cost effective updates of RICs valuations where they have expired or where they are above an existing offer. This aligns with the existing guidance on RICS valuations in the Capital Funding Guide (section 2.3.7):

1. Providers must include a policy published on their website which states how they will work with RICS valuers to accept desktop based updates to property valuations if the initial valuation expires at three months. This is irrespective of whether the property is in an existing transaction or not. They must encourage their RICS valuers to explain clearly to shared owners their policy for desktop extension, including any additional fees for carrying out this work.
2. Providers delivering s106 properties must follow the most up-to-date joint guidance on extending valuations.

4.9 Subletting and building safety: Providers must take a flexible and supportive approach to subletting requests, particularly where shared owners face increased costs due to building safety issues. In line with the Secretary of State's guidance (January 2022), providers should:

1. Relax any restrictions on the level of rent that can be charged, that might ordinarily be applied to prevent a home from being used for commercial purposes. This will enable shared owners to charge the level of rent required to meet their ongoing housing costs, which we know can sometimes be more substantial for properties affected by building safety issues.
2. Tailor the terms of their subletting offer to the individual needs of their shared owners.
3. Make the details of all relevant policies freely available on their websites in a clear and accessible manner.

4.10 Nominations period: Providers have a purchaser nominations period for a maximum of four weeks:

1. Where the nominations period in the grant agreement is longer than four weeks, the provider should seek to work flexibility to reduce this, subject to consent from Homes England/GLA where appropriate.
2. Where nomination periods are fixed under local authority agreements (e.g. via Section 106), providers are expected to explore any scope for flexibility with local authorities.

Part Five: Managing complaints, monitoring, and data

Existing industry regulations and guidance:

Regulation/ Guidance	Description	Current applicability	Relation to Code
<u>Housing Ombudsman's Complaint Handling Code</u>	The Code sets out best practice for complaint handling procedures.	Registered providers and any organisation voluntarily signed up.	Code item 5.1 requires all providers in the Code to sign up for the HOS and follow the complaint handling Code.
<u>CORE data</u>	Government information on social housing lettings over time.	Providers are required to provide data subject to their grant agreement.	Code item 5.9 expands the requirement to all non-private shared ownership properties, irrespective of existing grant agreement.

Managing complaints, monitoring membership

5.1 Housing Ombudsman Service (HOS): Providers must be part of the HOS and follow the relevant processes, such as the complaints handling Code.

5.2 Policy publication: Code members must publish their policies on their website per the Code guidance.

5.3 Responsibility in relation to subcontractors: Providers are responsible for their subcontracts - such as marketing and estate agents - and must make reasonable efforts to ensure they follow the Code's requirements. Shared owners can make a complaint to the HOS against the provider about the activity of subcontracted organisations. The membership panel (see section 5.5 below) will take into account whether the provider has made reasonable efforts to pass on the details of the Code to the subcontractor.

Monitoring membership

5.4 Verification process: A light touch verification process will be undertaken when members join the Code. This will be repeated annually when renewing membership. Code members are required to engage with the verification process and respond to requests for relevant information.

5.5 Membership Panel: An independent Membership Panel shall be established to oversee whether non-compliance with the Code is sufficient to remove membership. The panel/committee shall comprise impartial individuals with relevant expertise and experience. Code members must engage with the Membership Panel in a reasonable and timely manner upon their request.

5.6 Procedural fairness: The membership process shall adhere to principles of procedural fairness, including:

1. Providing the member a fair opportunity to respond to allegations and present evidence.
2. Conducting investigations impartially and transparently.
3. Allowing for an appeal process to challenge decisions, if warranted.
4. Where complaints refer to a subcontracted organisation, the membership committee will take into account whether the member organisation has fulfilled their role to disseminate information and check procedures.

5.7 Potential responses from Membership Panel: The Membership Panel shall have the authority to recommend a range of responses in response to Code breaches, including:

1. formal warnings;
2. termination or non-renewal of membership; or
3. other corrective measures deemed appropriate by the panel/ committee. e.g. additional Code training and monitoring.

5.8 Publication of results: If a member is removed from the Code due to repeated or severe breaches, the outcome of the proceedings shall be published. This includes reasons for the removal from the Code. Transparency in publishing results ensures accountability and serves as a deterrent against future Code violations.

Data

5.9 Continuous Recording of Social Housing Lettings and Sales

(CORE) data: Providers must provide high quality data to CORE on both initial sales and staircasing data. Providers should do so irrespective of whether this is necessary in the grant funding agreement.

Visit the Shared Ownership Code website to apply to become a Code Adopter: www.sharedownershipcode.org.uk

