

# News story: Rule changes to promote competition in structural warranties market

The revision to existing National House Building Council (NHBC) undertakings, which currently cover over 1.6 million homes in the UK, will protect and encourage growing competition in the structural warranties market.

On 29 June 2017, the Competition and Markets Authority (CMA) announced – as part of its review of legally binding commitments (known as ‘undertakings’) given by the NHBC in 1995 – that it would consult on whether or not to amend the NHBC’s undertakings to bring them up to date with today’s market conditions.

This proposal reflected the CMA’s provisional finding that, although competition in the market has grown and house builders are now purchasing some or all of their structural warranties from a range of suppliers, the NHBC has retained a very high market share compared to its competitors.

Having carefully considered responses to its consultation, the CMA has determined in the [final decision](#) on its review to seek new undertakings that are more focused and closely targeted on encouraging effective competition than those given in 1995.

The CMA is now consulting on the new undertakings that have been offered by the NHBC. These proposals would oblige the NHBC to clearly display on its website that builders who are members of the NHBC can source structural warranties from both the NHBC and other providers, or from another provider alone. Given regulatory developments, these proposals would also remove any requirement on the NHBC to oversee warranties provided by its competitors.

The proposed new undertakings would replace the previous undertakings and remain in force for 15 years. They are set out in Annex 1 of the CMA’s final decision.

Anyone wishing to comment on the proposed undertakings should do so by 1 November by emailing [structural.warranties@cma.gsi.gov.uk](mailto:structural.warranties@cma.gsi.gov.uk) or writing to:

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