

# Homebuilding market study

Annexe L - A comparison of consumer satisfaction surveys

September 2008

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## CONTENTS

<i>Chapter</i>	<i>Page</i>
L.1 Introduction	4
L.2 Summary charts	7
L.3 Comparison of survey results	10

## **L.1 INTRODUCTION**

L.1.1 This annexe compares the results for questions on customer satisfaction asked in the homebuilding consumer survey undertaken by OFT in late 2007 (Annexe B) to other surveys of customer satisfaction for new homes and other markets. All differences discussed are statistically significant at the 95 per cent level of confidence.

L.1.2 The purpose of this annexe is to put our customer satisfaction ratings into context with earlier homebuilding customer satisfaction survey results and to see how the homebuilding industry fares in comparison with other markets. Comparisons to other markets are made on the basis that they share similar features such as the high cost or the combined elements of product and service. The scope of these comparisons depends on the wording and structure of questions on satisfaction being comparable to those on the OFT survey.

### **Summary**

L.1.3 Differences in the methodologies of survey results compared within this document limit the homogeneity of comparisons. For example, questions are often phrased differently, answer options may or may not include 'neutral' options or compare a symmetric four-point scale rating to an asymmetric five-point scale. When compared to surveys by the NHBC (National House Building Council) the Home Builders Federation (HBF) and Housing Forum (HF), the OFT survey:

- also contained responses from homebuyers who had bought new homes from smaller builders
- employed a face-to-face interview rather than a telephone interview (HF) or self-completed postal questionnaire (NHBC)
- interviewed new homebuyers who had been residing in their properties for 1-24 months (the HBF questionnaire is sent out after eight weeks after legal completion and the NHBC after nine months).

- L.1.4 Where differences in results are statistically significant, they are not always large. The reader should consider that some of these comparisons are also subject to non-sampling error such as negative bias from self-selection and that small differences should not be exaggerated.
- L.1.5 The OFT survey of new homebuyers indicates slightly higher satisfaction with the quality of new homes than in other homebuilding surveys (albeit only a small range is considered here). The expectations of respondents to the OFT survey were slightly more likely to have been met or exceeded. However, when compared to other markets, satisfaction with service is lower for new homebuyers particularly when questions on recommendations are posed with a neutral response category.
- L.1.6 The OFT survey results are typically more positive than, or similar to, the other results from the two key sources of consumer satisfaction data for the homebuilding industry - the NHBC and the HBF.
- L.1.7 The OFT survey results for 2007 are also higher than the 2001 and 2003 HF surveys where comparable.
- L.1.8 New homebuyers responding to the OFT survey were slightly less satisfied with the service they received from their homebuilder before they had moved in than OFCOM fixed line and mobile service respondents were about their communications services, but were less satisfied than all communications service users (including internet and digital TV services) after they had moved in.
- L.1.9 New homebuyers were more satisfied with the service provided by their homebuilder prior to moving in, than private tenants were with their landlord by 13 percentage points. After moving in, new homebuyers had similar rates of satisfaction with the services provided by their homebuilder to those private tenants had for their landlord.
- L.1.10 New homebuyers' satisfaction with the service provided by their homebuilder both before and after moving in was slightly lower than for users of insurance products. Homebuyers were also less likely to recommend their provider compared to those using insurance companies. Satisfaction with the finish of the new home was similar to satisfaction

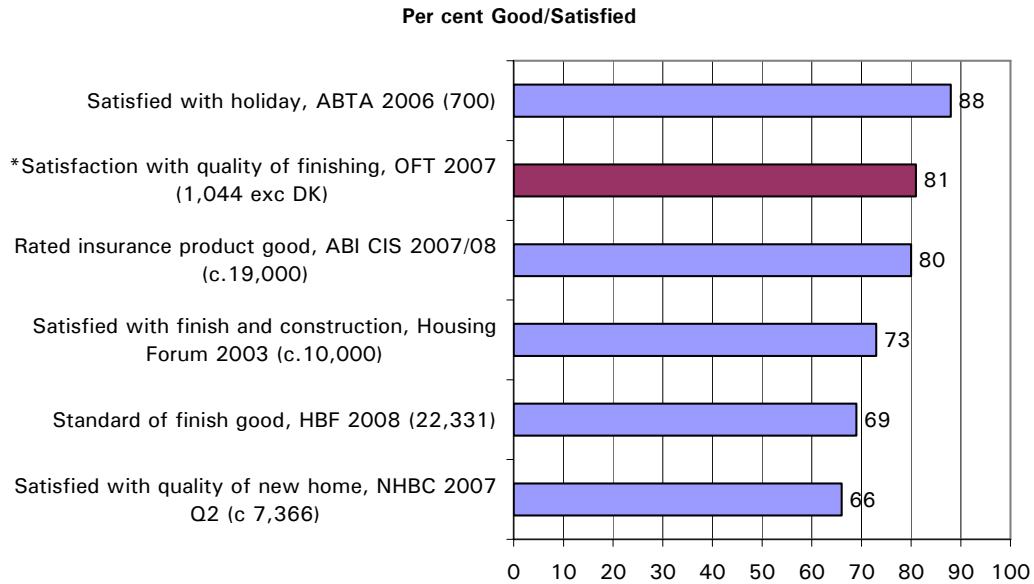
with insurance products and satisfaction with the construction of the new home was higher than for insurance products.

L.1.11 New homebuyers were less satisfied with their homebuilders' service both before and after moving into their new home than consumers were with their last package holiday bought from an Association of British Travel Agents (ABTA) agent. The proportion of homebuyers who said they would use the same homebuilder again was lower than the proportion of holidaymakers who said they would use the same travel agent again. Overall, homebuyers' satisfaction with the service provided by the homebuilder prior to moving in was similar to satisfaction levels expressed by holidaymakers for the service provided by their travel agent, but was lower after moving in. Satisfaction with finishing work was lower than satisfaction with holidays but it was similar for construction work and holidays.

L.1.12 The next section contains a number of charts comparing satisfaction results used in this annexe and is followed by in-depth discussion comparing others satisfaction results to the findings from the OFT survey of new homebuyers.

## L.2 SUMMARY CHARTS

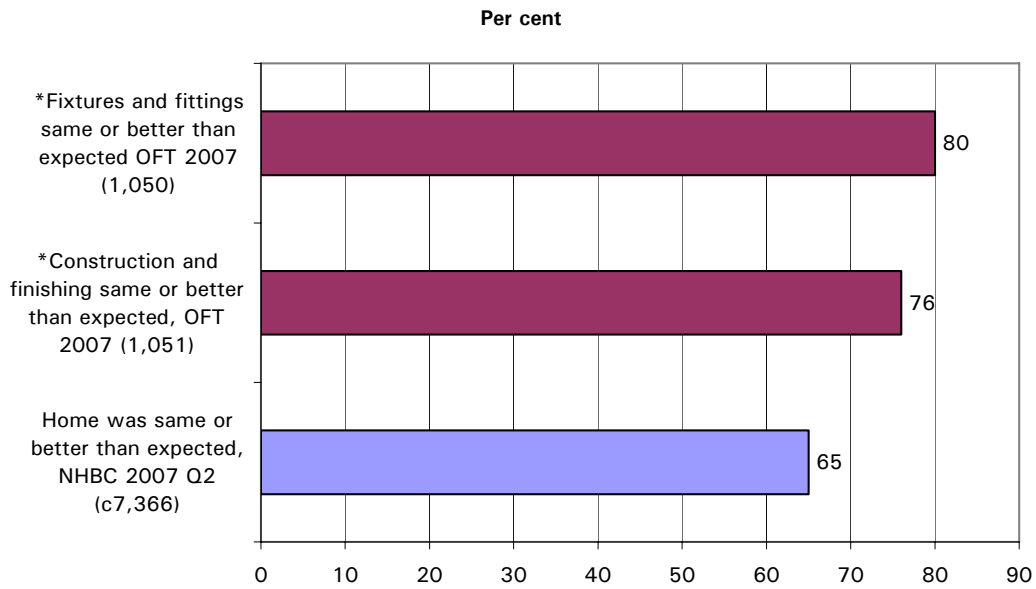
**Chart 2.1: Comparison for satisfaction with quality of home (finishing work)**



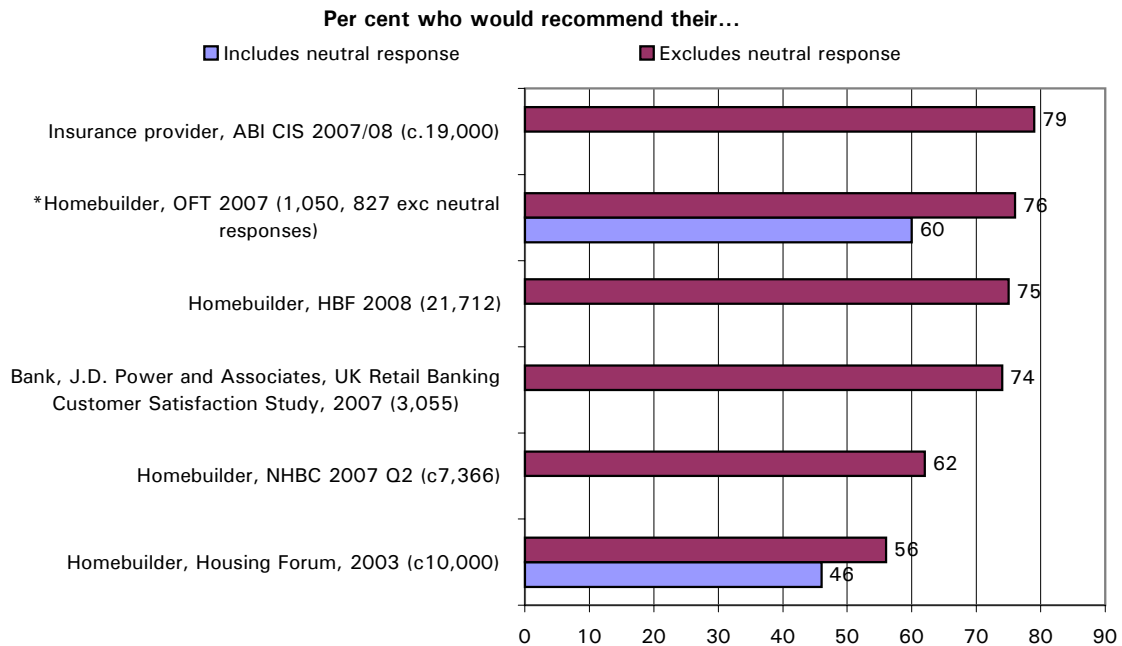
**Chart 2.2: Comparison for satisfaction with quality of home (construction work)**



**Chart 2.3: Proportion of respondents whose home met or exceeded their expectations**

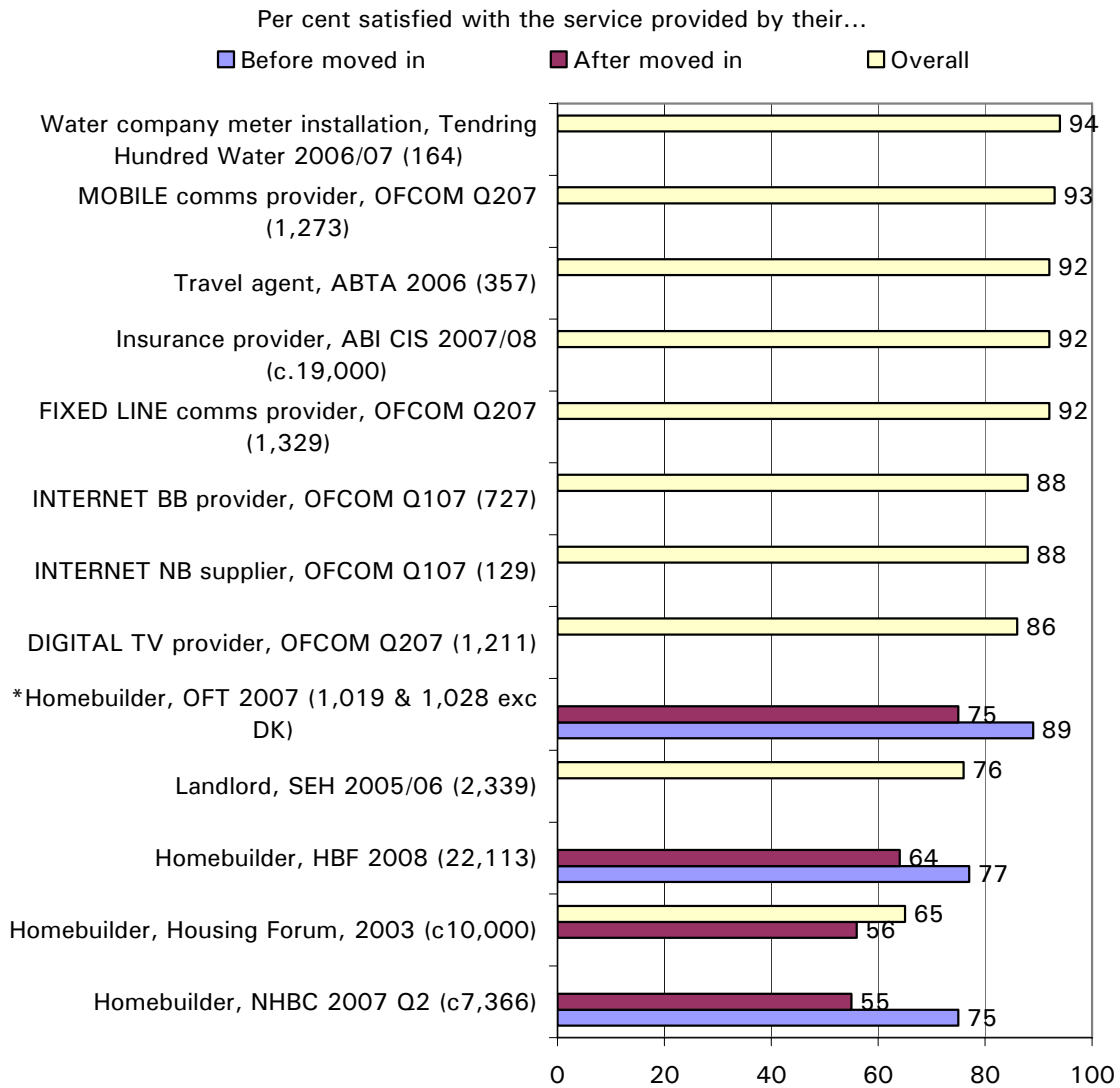


**Chart 2.4: Recommendation**





## Chart 2.5: Satisfaction with service



Note: the results in this chart do not all use the same scale to measure satisfaction

## L.3 COMPARISON OF SURVEY RESULTS

### The Home Builders Federation, National New Home Customer Satisfaction Survey<sup>1</sup>

- L.3.1 The 2008 HBF survey was a self-completion postal census of the homebuyers of 17 large homebuilders, each of which constructs in excess of 500 homes per year, whose home was legally completed during the 12 months from October 2006 – September 2007. Homebuyers were sent a questionnaire approximately eight weeks after completion. Of the 71,481 eligible questionnaires nearly 28,479 were returned: a response rate of 40 per cent. Respondents were asked whether they are tenants or owners not living at the address. Any such respondents were then excluded from the results.
- L.3.2 There are a number of substantial differences between the HBF and OFT methodologies:
- the timing of the survey in relation to the completion/move-in
  - the HBF survey was self-completed so results may be subject to greater negative bias from self-selection, completion errors and item non-response
  - the satisfaction scales used by the HBF have a 'neither satisfied or dissatisfied' or 'neither good nor bad' option - given the value of a new home, it is unlikely that owner-occupiers can have no opinion on whether or not they are satisfied, although typically around 10 per cent choose to respond neutrally
  - the respondents to the OFT survey had bought homes from a much wider group of builders, nearly 200 companies were mentioned and only Barratt (15 per cent), Taylor Wimpey (14 per cent) and Persimmon (12 per cent) accounted for more than five per cent of

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<sup>1</sup> [www.hbf.co.uk/fileadmin/documents/barker/Cust\\_Satisfaction\\_2008.pdf](http://www.hbf.co.uk/fileadmin/documents/barker/Cust_Satisfaction_2008.pdf)

respondents' new homes - so the OFT survey is likely to include results for smaller companies not covered by the HBF survey

- it is not clear how many homebuilders that build more than 500 homes per year are not covered by the HBF work or whether the sample is representative of all new homes built.

L.3.3 There are a limited number of the HBF questions which are comparable to the questions asked on the OFT consumer: as outlined in Table 1:

**Table 3.1: Comparison of HBF customer satisfaction survey and OFT consumer results**

<i>HBF Question</i>	<i>2008</i>		<i>OFT Question</i>	<i>2007</i>	
	<i>Per cent</i>	<i>Base</i>		<i>Per cent</i>	<i>Base</i>
Satisfied with the service provided during the buying process	77	22,113	Satisfied with quality of service received before move in	89*	1,019
Said the finish was good	69	22,331	Said the quality of finish was good	81*	1,044
Satisfied with service of builder after move in	64	22,294	Satisfied with quality of service received after move in	75*	1,028
Reported problems to builder since move in	95	22,313	Reported faults or problems with home to homebuilder	65	1,052
Would recommend builder to a friend	75	21,712	Would recommend builder	60	1,051

Source: New Home Customer Satisfaction April 2007 and OFT consumer survey)

L.3.4 All differences in Table 1 are statistically significant. OFT satisfaction with the quality of service during the buying process was 12 percentage points higher than for the HBF survey.

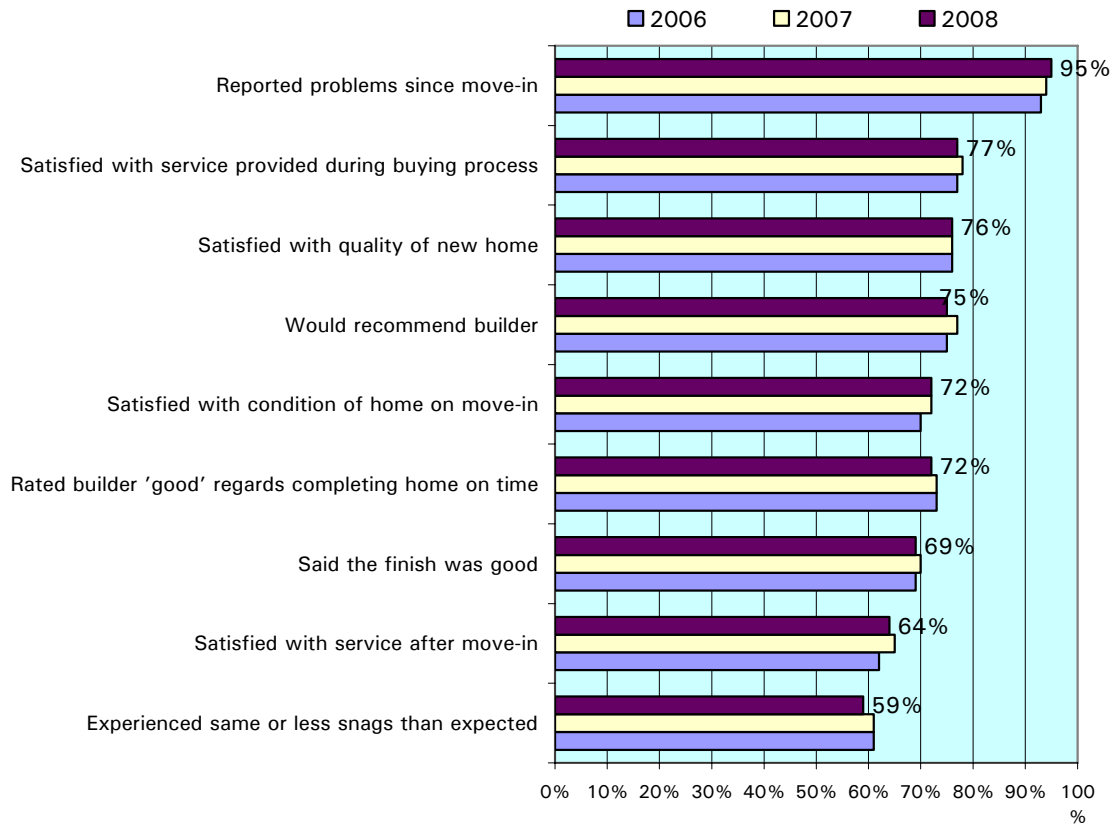
L.3.5 Eighty-one per cent\* of OFT survey respondents were satisfied with the finish of their new home compared to 69 per cent of HBF respondents. The OFT survey also shows higher satisfaction with the quality of service received from the homebuilder after moving in to the new home.

Seventy-five per cent\* of OFT respondents were satisfied compared to 64 per cent of the HBF respondents.

- L.3.6 The proportion of respondents who had reported problems to their homebuilder since moving into their new home on the HBF survey was much higher than the proportion of OFT respondents who said they had contacted their homebuilder about faults or problems with their home either before or after moving in (95 per cent compared to 65 per cent respectively). The HBF question is broader in the sense that it could be interpreted to include service problems in addition to just defects found in the home as in the OFT question.
- L.3.7 It is surprising that the HBF result is so much higher than the OFT result considering that the questionnaires were posted only eight weeks after moving in whereas the OFT survey was asked of new homebuyers who had moved into their new home in the last 1-24 months. One could anticipate that some problems would not yet be apparent within eight weeks of occupation and the number of new homebuyers discovering problems is likely to increase in line with duration of occupation of the home. This question on problems also features in the NHBC and HF surveys and results have been within a similar range (89-94 per cent) since 2004, suggesting that these OFT and NHBC/HBF questions are not comparable due to cognitive differences or the difference is exaggerated by greater negative bias.
- L.3.8 Only 60 per cent of OFT respondents said they would recommend their homebuilder (both 'without being asked' and 'if asked') compared to 77 per cent of HBF respondents. The HBF survey asked 'would you recommend your builder to a friend' and only included 'yes' and 'no' as possible answers, whereas the OFT question asked 'Which of [the following] comes closest to how you would speak about your house builder? Recommend without being asked/ recommend if asked/ neutral/critical if asked/ critical without being asked/don't know.' If we remove the neutral responses from the OFT result, the proportion who said they would recommend their homebuilder rises to 76 per cent and is not statistically different from the HBF result.

L.3.9 In general and where possible, when compared to the HBF results the OFT survey showed higher or at least the same levels of satisfaction.

**Chart 3.1: Results of HBF New Home Customer Satisfaction Survey 2006-2008**



Source: New Home Customer Satisfaction February 06, April 07 and April 08

Minimum base: c.14,550 in 2006, c.21,000 in 2007/08

## The Housing Forum National Customer Satisfaction Survey<sup>2</sup>

- L.3.10 The HF Survey results are somewhat outdated as they cover the period 2000-2003. However, as these were used by Barker, its results will be compared to the OFT consumer survey.
- L.3.11 A sampling frame was created by acquiring information from the NHBC and Zurich for nearly 100,000 owners who bought a new home between 1 April 2002 and 30 June 2003 from one of the 41 largest homebuilders who sold more than 300 units per annum. After cleaning, 33,000 individuals were available for sampling. For each of the nine top homebuilders of the 41, telephone interviews were sought with 600 homebuyers. Telephone interviews were also sought with all those who had bought homes from the other 32 homebuilders for whom contact details were available. This methodology resulted in 10,018 interviews undertaken in September-November 2003, though the survey was only based on 9,913 completed interviews. Response was declared as 46 per cent, or 65 per cent 'adjusted' (excluding bad numbers, ineligible contacts and surplus quota).
- L.3.12 The relationship between the achieved sample and the estimated 230,000 homes sold in the period from which contact details were drawn is unclear. The HF survey is less representative of those who bought homes from smaller builders than the OFT survey. Notably, the demographic profile indicates that nearly half (48 per cent) of the newly built homes in the sample had four or more bedrooms. This is disproportionately high although results were weighted to correct for this.
- L.3.13 The 2003 HF survey found that satisfaction with the service provided by the builder after moving in was only 56 per cent. The more recent OFT

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<sup>2</sup> National Customer Satisfaction Survey 2003, a research report by MORI Social Research Institute on behalf of the Housing Forum and Constructing Excellence, September-November 2003. A summary sheet is available at [www.brandnewhomes.co.uk/Housebuilders%20survey%202003.pdf](http://www.brandnewhomes.co.uk/Housebuilders%20survey%202003.pdf)

consumer survey found this to be 75 per cent\* – an apparent increase of 19 percentage points.

- L.3.14 The 2003 HF survey found that 73 per cent of respondents were satisfied with the finish and construction of their new home. Results for the OFT survey undertaken in late 2007 indicate that 81 per cent\* of respondents were satisfied with the quality of the finish on their new home and 90 per cent\* were satisfied with the construction of their new home. It is possible that pairing finishing and construction into one question results in lower satisfaction rates as this combines the dissatisfaction with one item or the other onto both items, however, these results indicate a significant increase in satisfaction.
- L.3.15 In the 2003 HF survey, 46 per cent of respondents said that they would recommend their homebuilder. This is some 14 percentage points lower than the result for the OFT consumer survey (60 per cent). Both questions contained a neutral response category so this is possibly indicative of either real change or methodological differences.
- L.3.16 In the 2003 HF survey, 89 per cent of respondents had found at least one defect or snag with the home since buying it compared to only 70 per cent of OFT respondents. The period of home ownership was broadly the same (2-20 months for the HF survey 1-24 for the OFT survey). As discussed in paragraphs L.3.6- L.3.7 this result is broadly in-line with similar results on the NHBC and HBF surveys and differences with the OFT survey results are possibly exaggerated by the size of the homebuilder and the greater effect of self-selection.
- L.3.17 Results for the OFT consumer survey have been compared to results for the 2003 HF survey, rather than the 2001 survey (used in the Barker report) as it seems appropriate to compare the most recent data available. However, HF results for the questions used here actually decreased from 2001 to 2003. Satisfaction with the service received after moving in fell from 60 per cent in 2001 to 56 per cent in 2003 and the proportion rating the finishing and construction as good fell from 77 to 73 per cent. The proportion who would recommend their homebuilder fell from 49 per cent to 46 per cent.

## NHBC

L.3.18 The NHBC satisfaction survey is a postal survey aimed at owner-occupiers of new homes<sup>3</sup>, nine months after legal completion. Perhaps unsurprisingly, this survey identifies higher levels of dissatisfaction and lower response rates than the HBF survey which the NHBC also undertakes at eight weeks after completion. The NHBC survey is sent to new homebuyers who have bought from one of approximately 60 participating builders who each build a minimum of 300 homes per year. According to the NHBC, this covers c.60 per cent of all new homes built.<sup>4</sup>

L.3.19 The following comparison is based on results for 2007 Q2.<sup>5</sup> Some 7,366 questionnaires were returned, achieving a response rate of 34 per cent.

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<sup>3</sup> Questionnaires are posted to all those policy holders who have completed the cover 'acceptance form'. Some 20 per cent of these do not arrive until after the survey is posted. Properties known to be rented (i.e. those registered with NHBC's Choice policy for Registered Social Landlords) are excluded. A filter question is also used to exclude those who identify themselves as tenants or owners not living at the address.

<sup>4</sup> Source: NHBC Customer Satisfaction seminar March 2008.

<sup>5</sup> Source: material provided to the OFT by NHBC 23 July 2008.



**Table 3.2: Comparison of NHBC 2007 Q2 satisfaction survey and OFT consumer survey**

<i>NHBC</i>	<i>2007 Q2</i>		<i>OFT</i>	<i>2007</i>	
	<i>Per cent</i>	<i>Base</i>		<i>Per cent</i>	<i>Base</i>
Satisfied with customer service before moving in	75	7,366	Satisfaction with quality of service before move in	89*	1,019
Satisfied with customer service after moving in	55	7,366	Satisfaction with quality of service after move in	75*	1,028
Satisfied with quality of new home	66	7,366	Finishing work rate good	81*	1,044
Satisfied with quality of new home	66	7,366	Construction work rated good	90*	1,039
Home was same as or better than expected	65	7,366	Construction and finishing work rated same or better than expected	76	1,051
Home was same as or better than expected	65	7,366	Fixtures and fittings rated same as or better than expected	80	1,050
Would recommend builder to a friend (Yes/No only)	62	7,366	Would recommend builder (includes neutral response)	60	1,050
Would recommend builder to a friend (Yes/No only)	62	7,366	Would recommend builder (excludes neutral response)	76	1,050

Source: NHBC, OFT consumer survey

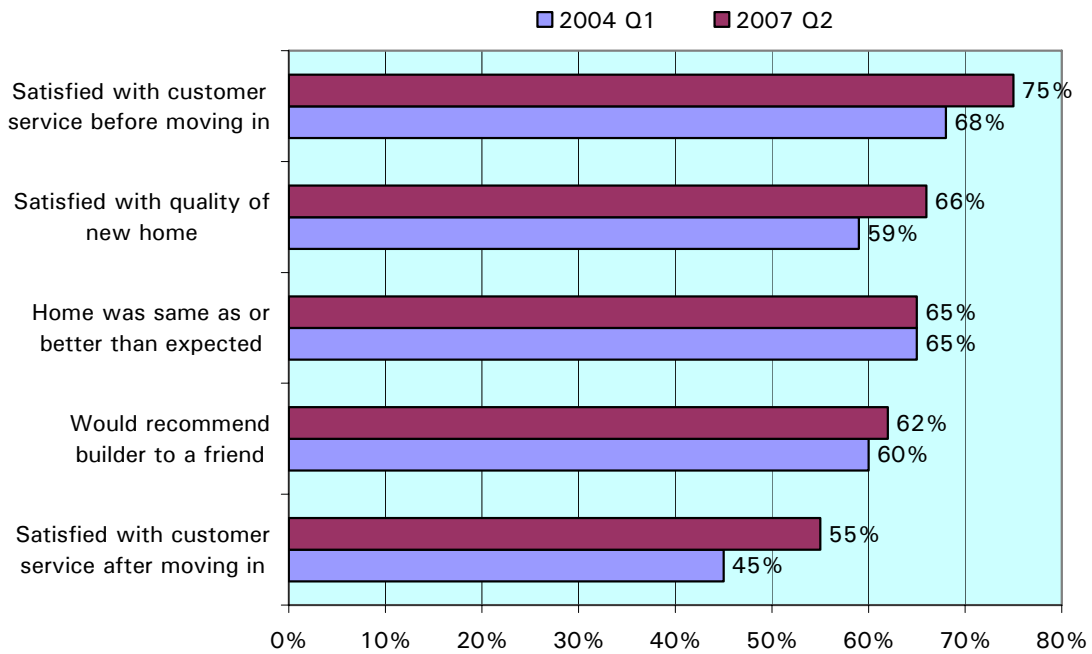
L.3.20 All differences in Table 2 are significant except for the question about recommending the homebuilder. As with the HBF survey, results for the OFT consumer survey are higher for all but one NHBC question which is not significantly different. Again this question on recommendation was phrased and categorised differently. If neutral responses are excluded from the OFT question then the result rises to 76 per cent and is significantly higher than the NHBC result.

L.3.21 Additional questions were inserted before this question on the NHBC questionnaire from 1 October 2006 onwards. These new questions received a negative response which also had a negative effect on the response for this question. To counter this effect the NHBC produced an adjusted estimate of 70 per cent for this question, however, this is still significantly lower than the OFT result of 76 per cent (excluding neutral responses).

## Comparison of NHBC survey results over time

L.3.22 Since 2004 Q1, most of the NHBC results have stayed the same or shown an increase in satisfaction over time. Chart 7 illustrates significant increases for all but one of the questions used for comparison to the OFT survey results.

**Chart 3.2: Comparison of NHBC homebuyer satisfaction survey results over time**



Source: NHBC

Base: 7366 (2007 Q2), 6,326 (2004 Q1)

## OFCEM Research Report *The Consumer Experience*, Nov 2007<sup>6</sup>

L.3.23 A home is an infrequent purchase, and is likely to be the most expensive purchase a consumer will make in his/her life. Although there is a

<sup>6</sup> [www.ofcom.org.uk/research/tce/ce07/research07.pdf?](http://www.ofcom.org.uk/research/tce/ce07/research07.pdf?)

pre/post handover service that is part of the purchase of a new home, the homebuyer is essentially buying a product, not a service. In contrast, the OFCOM paper focuses on the provision of communications services. These are relatively low cost, the consumer typically has more choice, most of these services are ongoing or subject to contract renewals at regular periods and the consumer is able to switch provider. Not only can homebuyers not switch provider but their choice is often limited depending on what new homes are being built in the area in which they wish to live.

L.3.24 The OFCOM survey is conducted quarterly and the OFT's survey was a one-off that used an interviewer 'find' method rather than sampling. However, both used face-to-face interviews and were weighted to match the UK population on a number of factors such as age and region.

L.3.25 The OFT survey asked respondents how satisfied they were with the quality of the service provided by the homebuilder before and after moving in. Eighty-nine per cent<sup>7</sup> of OFT consumer survey respondents said that they were very or fairly satisfied with the service they received from their homebuilder before they moved in. In comparison, in the second quarter of 2007, 93 per cent of respondents to the OFCOM communications tracking survey said they were satisfied with the overall services they received from their mobile service supplier and 92 per cent said that they were satisfied with the overall services they received from their fixed line supplier. These are significant differences.

L.3.26 Seventy-five per cent<sup>8</sup> of OFT consumer survey respondents said that they were very or fairly satisfied with the service they received from their homebuilder after they moved in. This was between 11-18 percentage points lower than the levels of satisfaction seen for communications services<sup>9</sup>.

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<sup>7</sup> Excluding don't knows (base = 1,019). \* indicates that a figure has been calculated excluding any 'don't know' responses.

<sup>8</sup> Excludes don't knows (base = 1,028).

<sup>9</sup> Fixed line, mobile, internet and digital TV services

## **Association of British Insurers (ABI) 2007/2008 Customer Impact Survey (CIS), February 2008<sup>10</sup>**

- L.3.27 The CIS survey sampled 19,425 customers of 31 businesses participating in the ABI Customer Impact Scheme who represent around 85 per cent of the insurance sector. Respondents included customers who had purchased products in the last 3-9 months, received payment of claims in last 3-9 months or who had held a product for more than a year.
- L.3.28 Many of the questions relate to the respondent's current company/product. There are no base counts for the individual questions, so it is not possible to tell what the exact sample error on each would be. With a base of c.19,000 this should be fairly small (+/- one per cent at most) although the introduction makes references to the error on some questions being up to six per cent depending on response, implying that some questions had much lower counts (potentially as low as 250). If this were the case it could mean that differences which appear significant may not be.
- L.3.29 Ninety-two per cent of CIS respondents were satisfied with the service they received from their current insurance company. Eighty-nine per cent\* of homebuyers responding to the OFT survey were satisfied with the quality of service received before they moved in and 75 per cent\* were satisfied after they moved in. While satisfaction rates for homebuyers were lower than for insurance customers, the OFT survey used an equally distributed four point scale of satisfaction. The CIS uses a five-point scale where three of the points are 'satisfied' and two are 'not satisfied'.
- L.3.30 Seventy-nine per cent of CIS respondents would be likely to recommend their company and 21 per cent would be unlikely to recommend their company. Sixty per cent of OFT survey respondents said that they

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<sup>10</sup>[www.customerimpact.org/media/5674/customer\\_impact%20final%20version.pdf?bcsi\\_scan\\_A2018E0826464712=0&bcsi\\_scan\\_filename=customer\\_impact%20final%20version.pdf](http://www.customerimpact.org/media/5674/customer_impact%20final%20version.pdf?bcsi_scan_A2018E0826464712=0&bcsi_scan_filename=customer_impact%20final%20version.pdf)

would recommend their homebuilder, 21 per cent were neutral and 18 per cent said they would be critical (base = 1,050). Note again that the CIS uses a biased five-point scale where the midpoint is 'quite likely' [to recommend] and this did not contain a 'neutral' response category, as per the OFT survey. Thus, new homebuyers are less likely to recommend their homebuilder than insurance customers their provider, but the negative response for both questions, i.e. respondents who would not recommend their provider or be critical of their provider, is very similar (just three percentage points apart) albeit significantly lower for homebuyers.

L.3.31 Eighty per cent of CIS respondents rated their product good, very good or excellent. Eighty-one per cent<sup>11</sup> of new homebuyers rated the finishing work on their home as good or very good and 90 per cent<sup>12</sup> rated the quality of the construction work as good or very good. Satisfaction with the **finish** of the home is similar to satisfaction with insurance products and satisfaction with the **construction** is higher.

### **Survey of English Housing: Satisfaction with landlord<sup>13</sup>**

L.3.32 The Survey of English Housing (SEH) is undertaken annually by the National Centre for Social Research for Communities and Local Government and is a National Statistics data source. The 'overall satisfaction with landlord' question can be used for comparison, although perhaps not a very good one, as it relates only to the service provided by the landlord, not the quality of the property or facilities. The result discussed here is for private tenants only. The most recent result is from 2005-2006, so there is some time lapse between this and the OFT results from late 2007.

L.3.33 From the SEH, 11 per cent of respondents were dissatisfied, 13 per cent neutral and 76 per cent satisfied or highly satisfied (2,339 weighted

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<sup>11</sup> Excluding don't knows. Base = 1,044

<sup>12</sup> Excluding don't knows. Base = 1,039

<sup>13</sup> [www.communities.gov.uk/housing/housingresearch/housingsurveys/surveyofenglishhousing/sehlivetables/satisfactionwithlandlord/](http://www.communities.gov.uk/housing/housingresearch/housingsurveys/surveyofenglishhousing/sehlivetables/satisfactionwithlandlord/)

valid responses, excludes not applicable, don't know and refused responses). The OFT survey reports that 89 per cent\* of respondents were very or fairly satisfied with the quality of service received before they moved in and that 75 per cent\* were very or fairly satisfied with the quality of service received after they moved in. New homebuyers were more satisfied with the service before moving in than private tenants were with their landlord and similarly satisfied after they had moved in. These results do not compare particularly well as the OFT question did not have a neutral option.

### **Ipsos MORI travel survey for ABTA<sup>14</sup>**

L.3.34 This is a biennial face-to-face survey and was last undertaken in October/November 2006. Ninety-two per cent of the 357 respondents who booked through a travel agent said that the overall service provided by their travel agent when they booked their last package holiday was very good or fairly good. Five per cent chose 'neither good nor poor' and just two per cent said service was poor or very poor.

L.3.35 Comparison to the OFT question on how satisfied or dissatisfied new homebuyers were with the service they received before they moved into their property is not immediate as the response categories are different: very satisfied, fairly satisfied, fairly dissatisfied and very dissatisfied. However, comparing the ABTA result to the 'positive' response from the OFT survey: that 89 per cent\* of respondents were satisfied with the service they received from their homebuilder before moving in, it is evident that homebuyers are less satisfied than holiday buyers. When compared to the lower satisfaction rating from after respondents had moved in (75 per cent\* said they were satisfied) those booking holidays through a travel agent were still more positive about the service they received than new homebuyers.

L.3.36 When asked how likely they were to use the same travel agent again, 88 per cent of the 357 who had used a travel agent to book their last

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<sup>14</sup> Ipsos MORI/29198 – survey of holiday makers for ABTA carried out by Ipsos MORI.

package holiday said that they were 'certain to', 'very likely' or 'fairly likely' to use the same agent again. Seventy per cent of new homebuyers said if they were to buy a new home again they would be very likely or fairly likely to buy one from the homebuilder who built their current home. This is a significantly lower result than for holiday buyers. However, the questions may also be confounded to some extent by the probability of whether or not a consumer will take another package holiday or buy another brand new home.

L.3.37 Eighty-eight per cent of all 700 respondents of the ABTA survey said that taking everything into account they were very satisfied or satisfied with their holiday. This is no different from the proportion who said they were satisfied with the quality of service they received from their homebuilder before moving in, but higher than the proportion who said they were satisfied with the service after they had moved in. The ABTA question focuses on the holiday itself not the service of the travel agent. Other new homebuyer responses for comparison are that 81 per cent\* were positive about the finishing work done on their home and that 90 per cent\* were positive about the construction work done on their home. Satisfaction with finishing work was lower than for holidays, but satisfaction with construction work was no different.

### **J.D. Power and Associates 2007 UK Retail Banking Customer Satisfaction Study<sup>SM15</sup>**

L.3.38 The 2007 UK Retail Banking Customer Satisfaction Study is based on responses from 3,055 customers of the largest retail banks throughout the UK. The study was fielded in July 2007.

'Despite growing public scrutiny of banks for overcharging practices and account fees, it's interesting to note that nearly 75 per cent of customers would still recommend their bank to others, and that 45

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<sup>15</sup> Published by J.D. Power and Associates.  
[www.jdpower.com/corporate/news/releases/pdf/2007204.pdf](http://www.jdpower.com/corporate/news/releases/pdf/2007204.pdf).

per cent of these customers have recommended their bank in the past 12 months.'

L.3.39 Assuming the 'nearly' 75 per cent is at most 74 per cent and that the base for this question was the full 3,055 then this source indicates that bank customers are more likely to recommend their bank to others than homebuyers are to recommend their homebuilder. Only 60 per cent of new homebuyers would recommend their homebuilder.

### **Tendring Hundred Water return to OFWAT June 2007, Customer Satisfaction Research 2007<sup>16</sup>**

L.3.40 1,111 Tendring Hundred Water customers had an optional meter installation in 2006/07. On each occasion that a meter is fitted, the customer is asked to complete a survey on the quality of the services they received, achieving for a response rate of just 15 per cent. Of the 164 customers who provided feedback, 94 per cent said that they were satisfied with the overall quality of service received. It is likely that these results are skewed by non-response, so although service satisfaction is higher for these water customers than for new homebuyers (either before or after they moved in) it is not a reliable comparison. Furthermore, these recently 'metered' water customers form only a small proportion of the total number of water customers and this figure is not representative of the experience of all water customers.

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<sup>16</sup>[www.ofwat.gov.uk/aptrix/ofwat/publish.nsf/AttachmentsByTitle/JR07\\_THD\\_CustomerSatisfactionResearch.pdf/\\$FILE/JR07\\_THD\\_CustomerSatisfactionResearch.pdf](http://www.ofwat.gov.uk/aptrix/ofwat/publish.nsf/AttachmentsByTitle/JR07_THD_CustomerSatisfactionResearch.pdf/$FILE/JR07_THD_CustomerSatisfactionResearch.pdf)