

# Bovis Homes – When things go wrong (#youtoo?)

[www.bovishomes.co.uk](http://www.bovishomes.co.uk)



# A building storm

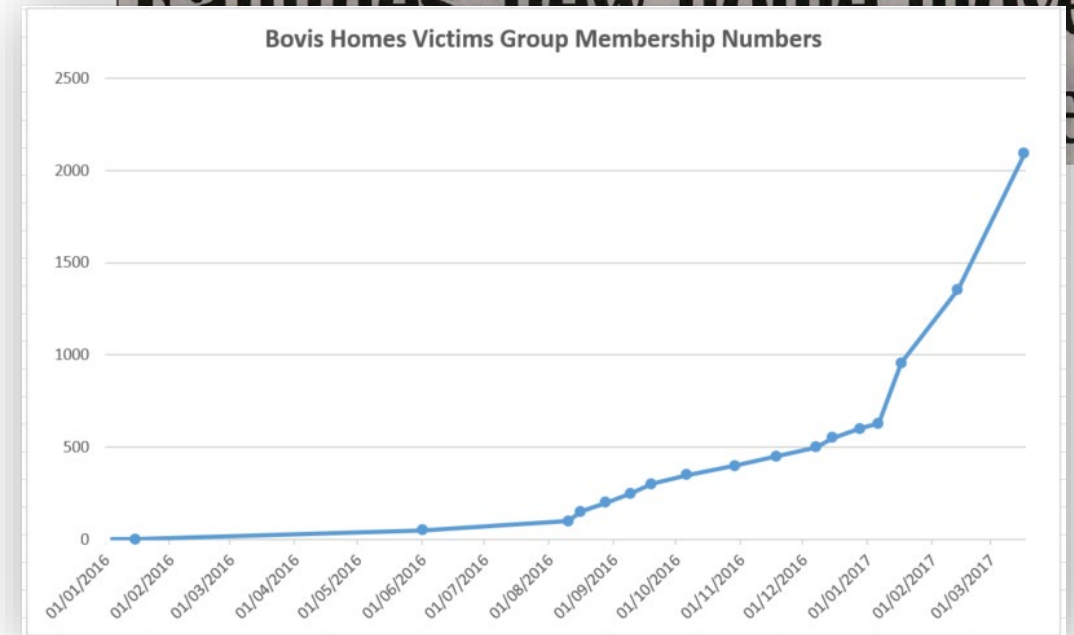


- The warning signs – internal and external
  - HBF scores
  - Anecdotal
  - Increased social media activity
  - Local newspapers chasing unhappy customer stories
  - MP letters
- Bovis Homes Victims Facebook Group
  - Social media “chatter”
  - Watchdog – board attention
- Profits warning
- CEO resignation



Helen Batt, Kelly Terry and Michelle Brown were left angry and frustrated trying to move into their new Orchard Fields homes

## Families' new home move



# The Maelstrom



## 9 January

- CEO resignation announced
- BHVFG details sent to national journalists

## 10 January

- National journalists looking for a follow-up + a group of active social media detractors = conflation of customer (operational) delivery with City stories (first time for us)
- New angle is quality issues plus incentive payments to customers to legally complete – badged as ‘bribes’ and inducements by the press

In a desperate bid to inflate sales...  
**Bovis paid £3,000  
‘bribes’ to persuade  
buyers to move into  
unfinished homes**

by **Hugo Duncan**

ONE of Britain's biggest builders has admitted offering housebuyers thousands of pounds to persuade them to move into unfinished homes in a desperate bid to hit sales targets.

**Bovis Homes**, whose chief executive left abruptly on Monday, was willing to

homes would be ‘deterred’ into early 2017 – meaning annual profits for 2016 would be lower than previously expected.

Less than two weeks later, on January 9, chief executive David Ritchie bowed to pressure and abruptly resigned.

One Bovis customer, 32-year-old Rob Elmes, said he was offered £3,000 to complete on a three-bedroom £320,000 home in Worcester-

# The Maelstrom - a mis-step



“As stated  
homes  
complete  
certified  
Customer  
of incentives

## Rivals reject Bovis claims that cash-to-complete is common practice

**Tom Knowles** Property Correspondent

The country's biggest housebuilders have distanced themselves from **Bovis Homes** over claims that it is “industry practice” to pay customers cash to complete on unfinished homes by a certain date.

*The Times* revealed yesterday that Bovis Homes had offered its customers as much as £3,000 to complete on properties before December 23, despite

acknowledging that more work still needed to be done on the homes.

Analysts said that the cash incentives from Bovis were part of a failed attempt by the FTSE 250 company to meet City targets.

The offers were made days before Bovis Homes issued a profit warning, informing shareholders that it would miss its target of completing 4,130 homes by the end of the financial year.

On Monday, David Ritchie, chief

### **Bovis paid buyers cash to hit targets**



**The Times revealed the cash payments offered to buyers**

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# The s# Storm



- One Show
- Five Live Drive
- You and Yours
- Nightmare New Builds
- Victoria Derbyshire etc
- NHBC – Today programme
- Three Counties Radio

# The Storm - response



## Communications side

- City PR agency
- Key messages and statements - personalised and apologetic
- No spokesperson
- Underpinned by significant internal communication sweep
- Social media inhouse - 7-day, 8am-8pm 4-hour response time
- Internal communications – keep the staff updated

Bovis said: “It is our absolute priority to tackle this, and tackle it urgently.”

There would be more announcements on moves to improve quality, the company added. Meanwhile, Bovis was “committing more staff to aftercare for our customers and senior directors are visiting more customers in their homes to discuss any issues they have”.

It said it had appointed a contractor to carry out the final work on Mr Young’s home, while a senior director had apologised and would visit him. The group said it had apologised to Ms Haisman sought to minimise disruption and would meet the family this week.

“Bovis said: ‘We take these issues very seriously. We recognise that in some of these cases we have not provided our best standard of customer service and have taken too long to rectify customer issues, for which we apologise.’

Its spokesman added: ‘A limited number of customers were offered an incentive to complete before the year end and all homes were habitable with the requisite industry certification and a timetable for outstanding finishing works to be carried out in the New Year. Customers were clearly free to decide their preferred course of action.’

# The Storm - response



## **Operational side**

- Project team – focus on most unhappy customers
- Interim CEO and other senior directors face to face with customers
- Senior Directors face to face with politicians and key stakeholders
- Mea Culpa
- Homebuyers Panel announced
- Investment into customer care teams and universal training
- Enhanced quality assurance process
- Review of complaints procedures both pre- and post-legal completion
- Appointment of new Customer Experience Director

# Another storm



- Results announcement – 20<sup>th</sup> February

The Group recognised a one off £7 million customer care provision at the year end as a result of a much higher level of customer service issues. Customer service standards fell significantly during 2016 and homes were

completed  
customer  
provision  
customers

the guardian

We have a  
er care  
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## Are you a Bovis home owner awaiting compensation?

We want to hear from you if you are one of thousands of Bovis Homes owners unhappy at the quality of their new build properties



# The immediate aftermath



- Social media detractors
- Media legacy – esp digital
- City response
- Subject Access Requests
- Customer connectivity
- Contagion
- Politics ...

# #Whereto?



- GDPR
- Facebook Group with nearly 3,000 members
- Trending at the top end of 4-star
- Clear direction and focus on operational delivery
- Customer Experience revamp
- New systems, process and culture

# #Youtoo?



- Trust and transparency ...
  - Ombudsman
  - Consumer rights legislation
  - Letwin review – profit over homes
  - Corporate remuneration
  - Gender Pay Gap Reporting
  - Tolerances
  - Standard terms of contract
- Quality
- GDPR

## Who will help the families forced to live in half-built homes?

We exposed the scandal of shoddy new-build houses. Now we reveal the full misery of the buyers who are utterly powerless

By **Victoria Bischoff** and **Richard Marsden**

But they arrived to find 15 workmen still finishing jobs. The bathroom and utility room windows were missing and someone was replastering the living room ceiling where there had been a leak from the shower above. Mr Barker, a sales manager, says that when he asked the Bovis agent