



Setting Standards for  
Retirement Communities

# The ARCO Consumer Code

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# Foreword

The ARCO Consumer Code was developed by the Associated Retirement Community Operators (ARCO), which is the main body representing the housing-with-care sector for older people in the UK.

Retirement communities combine high quality housing options for older people with tailored support services. They allow residents to rent or own a property and to maintain their privacy and independence, with the reassurance of 24-hour on-site staff, communal facilities and optional care and support as needed. Retirement communities may also be referred to as retirement villages, extra care housing, housing-with-care, assisted living, close care apartments, or independent living settings.

Launched in 2015, the ARCO Consumer Code sets standards for the retirement community sector. The Code signals ARCO members' commitment to go above and beyond their statutory duties. It helps ensure that they provide a trusted and high quality service to those living in, and considering moving to, a retirement community.

The following pages of this booklet set out the detail of the Code and the provisions which Subscribers to the Code must comply with. These provisions include requirements that operators of retirement communities are transparent in the way that they market and operate their communities and services, and that they ensure that customers receive information about fees and charges well before they decide to move in. They also include requirements to provide core levels of services to residents, and to treat customers in a professional, fair and non-discriminatory manner.

The Code applies to retirement communities in the UK that have been registered with ARCO by Approved Subscribers of the ARCO Code. For a list of Approved Subscribers and ARCO registered retirement communities, please see the ARCO website at [www.arcouk.org/consumercode](http://www.arcouk.org/consumercode). There you will also find answers to Frequently Asked Questions and details of the compliance framework we have put in place.

ARCO engages independent assessors to monitor Subscribers' compliance with the Code, and will take action as necessary in order to ensure standards are met.

We encourage residents, prospective residents and interested parties to familiarise themselves with the full list of provisions outlined in the Code. We hope that you find it a helpful aid to promoting and protecting consumer rights, and providing a benchmark for good practice.



**Richard Davis**  
Chair, ARCO



**Michael Voges**  
Executive Director, ARCO



# 1 Introduction

- 1.1** The ARCO Code is owned and maintained by the Associated Retirement Community Operators. ARCO is the main body representing the 'retirement community' sector in the UK. Retirement communities offer integrated accommodation, catering and personal care for older people. They may also be referred to as: retirement villages; extra care housing; housing-with-care; assisted living; close care apartments; or independent living.
- 1.2** ARCO aims to:
  - (a) Ensure that all members provide a high-quality service.
  - (b) Raise awareness of the retirement community model.
  - (c) Increase the volume and quality of expertise within the sector.
- 1.3** ARCO was formed in September 2012. Together, its members represent more than 50 per cent of the retirement community sector in the UK.
- 1.4** The ARCO Code applies only to those retirement communities that members have registered with ARCO. It does not apply to other forms of housing, care or services that an ARCO member may provide.
- 1.5** This Code promotes and protects the interests of consumers and provides a benchmark for good practice. 'Consumers' includes 'customers' (prospective purchasers who have yet to pay any deposit to reserve a property in a retirement community) and 'residents' (those who live in, or have paid a deposit to reserve a property in, a retirement community). Nothing in this Code affects the statutory rights of consumers.

- 1.6** Before an ARCO member can become an 'Approved Subscriber to the ARCO Code', it must have demonstrated that it complies with the Code. ARCO monitors compliance with the Code and takes action as necessary to tackle compliance failings. The Register of Subscribers, which is available on the ARCO website, enables anyone to check whether an ARCO member is an Approved Subscriber.
- 1.7** In preparing this Code, ARCO has had regard to: the Private Retirement Housing Code of Practice, produced by the Association of Retirement Housing Managers; the Consumer Code for Home Builders; and the Core criteria and guidance for the Consumer Codes Approval Scheme produced by the Trading Standards Institute. This Code is intended to complement the other Codes relevant to the sector, although there is inevitably some overlap in their provisions, given their common interest in protecting consumers.
- 1.8** ARCO regularly reviews this Code and updates its provisions as necessary in the light of changing circumstances and expectations. Comments are welcome and should be sent to:

**ARCO** The Heals Building, Suites A&B, Third Floor  
22-24 Torrington Place, London WC1E 7HJ

**Telephone:** 020 3697 1204

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**Website:** [www.arcouk.org](http://www.arcouk.org)



## 2 General provisions

- 2.1** From the date of our formal recognition as an 'Approved Subscriber to the ARCO Code', we will comply at all times with all the provisions of this Code in relation to the retirement communities that we have registered with ARCO. Our activities will be consistent with the spirit of the Code and we will not bring it into disrepute.
- 2.2** Where applicable, we will readily implement any mandatory guidance from ARCO on compliance matters.
- 2.3** In all our dealings with customers and residents we will act with integrity, and in a professional, reasonable, fair, transparent, and non-discriminatory manner.
- 2.4** We will comply with all relevant legislation. We will hold all the licences, registrations and permissions required to enable us to carry out our activities lawfully.
- 2.5** We will comply with any decisions of the courts that set precedents relating to our activities.
- 2.6** We will draw this Code to the attention of our employees. We will train them, as necessary, to deliver both their legal obligations to consumers and their responsibilities under this Code. We will monitor their performance.



## 3 Requirements for retirement communities

### 3.1 We will:

- (a) Provide retirement communities that are primarily for older people.
- (b) Offer self-contained accommodation that can be purchased and/or rented with security of tenure.
- (c) Enable residents to take advantage of personal care that is delivered flexibly, usually by staff based on the premises.
- (d) Have staff available on the premises for 24 hours a day.
- (e) Make available domestic services for residents.
- (f) Make meals available in restaurants or dining areas.
- (g) Offer communal facilities and encourage an active social programme in the community.
- (h) Aim to offer people a home for life and to enable them to 'age in place'.



## 4 Marketing and advertising

**4.1** We will ensure that the information provided on our retirement communities and services in our marketing, advertising and sales materials:

- (a) Is legal, decent, honest, and truthful.
- (b) Is up to date, clear, accurate, consistent, and makes no significant omissions.
- (c) Contains nothing that is, or could be held to be, confusing or misleading.
- (d) Accurately represents the actual or intended nature of the retirement community in terms of tenure arrangements, care provision, and residents.
- (e) Makes no unclear, inaccurate, confusing or misleading comparisons with other providers.
- (f) Complies with all relevant advertising codes of practice, and with relevant legislation.

**4.2** We will respect any consumer's expressed wish not to receive unsolicited visits, canvassing, mailshots, emails, text messages or telephone calls at their home.



## 5 Joining a retirement community

- 5.1** We will ensure that our staff do not give advice, or use any sales technique, which places undue or improper pressure on customers to join a retirement community or to purchase services unnecessarily. We will allow customers sufficient time to digest information and to raise queries with us before making any formal commitment. These requirements apply whether we deal with customers at our own premises, in their own homes, or remotely.
- 5.2** We will make additional efforts, as appropriate, to meet the needs of vulnerable customers. This includes people who: have a physical, mental or cognitive impairment; are elderly; have a low income; have limited financial capabilities; have a first language that is not English; or have recently been bereaved.
- 5.3** We will advise customers to seek independent advice, support and representation as appropriate in connection with a move to a retirement community.
- 5.4** We will provide customers with all the pre-contractual information specified by the relevant legislation. We will also provide customers with a Key Facts document summarising the key charges to consumers before any deposit is paid to reserve a property.
- 5.5** We will provide customers with clear information on how the retirement community is managed, including information on how care and other services for residents are organised.

- 5.6** We will provide customers with detailed information on the properties available. This will include:
- (a) When it was built or converted to its current use.
  - (b) Whether it is new.
  - (c) Its rooms and facilities.
  - (d) What furniture and appliances are included.
  - (e) What structural guarantees are included, if any.
- 5.7** We will provide customers with information on any 'deposit', 'reservation fee' (or equivalent) payable prior to taking possession of a property. We will explain how, if at all, these payments are protected and in what circumstances they may be forfeited in whole or in part. We will make it clear that a customer's liability on cancellation outside any cooling-off period prior to exchange of a sale contract will be limited to the amount needed to cover our reasonable costs only, up to a maximum of the full value of the deposit.
- 5.8** We will provide customers with information on any 'service charge', 'management charge' (or equivalent). In particular, we will:
- (a) Distinguish clearly between standard and optional services.
  - (b) Provide a copy of the latest itemised service charge budget and/or accounts, on request (this applies only to retirement communities with a variable service charge).
  - (c) Describe what the service charge covers.

- (d) Explain how and when residents are informed about the service charge budget and/or accounts (this applies only to retirement communities with a variable service charge).
- (e) Explain whether and how residents can influence the service charge and the services offered.
- (f) Explain how the service charge can be altered and with what advance notice period (which must be no less than 28 days).
- (g) Describe how we manage any annual surplus or deficit on the service charge account (this applies only to retirement communities with a variable service charge).
- (h) Describe how we manage any significant failure to provide a service covered by the charge and, where appropriate, compensate residents.

**5.9** We will provide customers with information on the charges for additional services (e.g. domiciliary and/or nursing care), purchased from or through us.

**5.10** We will provide customers with information on any deferred fees that may be payable when they sell or sublet the property. We will provide this when customers view the site or any property, or otherwise before any deposit is paid to reserve a property. If such deferred fees apply, we will:

- (a) Provide information on how and when the deferred fees are payable, and how they are calculated, and explain this information on request.
- (b) Provide realistic worked examples of their financial impact, clearly stating the assumptions behind the examples.

**5.11** We will provide customers with information on any 'sinking fund' or equivalent (this applies only to retirement communities with a variable service charge). This will include:

- (a) The current size of the fund, and how it is funded.
- (b) What processes are in place to assess future capital expenditure needs.
- (c) Whether there are any foreseeable major capital works that the fund is unlikely to be able to cover when the need arises, and how their costs will be funded.
- (d) Making it clear, if applicable, that additional liabilities may arise in relation to unforeseeable major capital works and that these may have financial implications for residents.

**5.12** We will provide customers with information on any other relevant charges, including:

(a) What charges are payable direct to third parties (e.g. utility companies, local authorities), providing information on their indicative costs, where possible.

(b) What legal fees are payable to us at the start or termination of occupation.

(c) Charges for subletting, where this is permitted.

**5.13** In relation to any resale of a freehold or leasehold property negotiated directly between a resident and a customer, we will, once we become aware of the sale, equip the vendor with the Key Facts document that we would make available if selling the property ourselves. We will encourage vendors to provide this information to customers when they first enquire about the property, and at any other time on request, and to refer any queries to us.

**5.14** We will advise customers if we have a financial interest in any other firm involved in running the retirement community and if we receive an incentive or commission from third party suppliers relating to any of the services paid for by residents through the service charge.



## 6 Contracts and terms and conditions

- 6.1** We will provide all customers and residents with a contract for a purchase (of a freehold, leasehold or shared ownership property), or a tenancy agreement, as appropriate, in English. We will also make this available in large print, Braille and audio formats, on request.
- 6.2** The terms and conditions set out in our contracts will be clear and fair and will comply with the relevant legislation.
- 6.3** The contract will set out clearly our rights and responsibilities, and those of the residents, at least in relation to the following items, where applicable:
- (a) Any restrictions on the age of people allowed to be resident in the community.
  - (b) Arrangements for repairs and maintenance to be undertaken.
  - (c) The circumstances under which alterations are permitted to be made.
  - (d) The keeping of pets.
  - (e) The circumstances in which either party may terminate the contract.
  - (f) Any fees payable when leaving/selling the property (or fees triggered by an event such as a sublet).
- 6.4** We will make clear, in the contract, and/or in our policies, how we manage the circumstances under which we may ask a resident to move temporarily or permanently to another address within or outside the retirement community. In any such cases we shall consult the resident, family members, and healthcare professionals.
- 6.5** We will place as few restrictions as possible on residents, so that they are able to enjoy their own lifestyle and live with maximum independence.



## 7 Managing our relationship with consumers

- 7.1** For new properties, we will give customers a realistic expected completion or moving-in date. We will provide as much advance notice as possible of any delays and offer customers an opportunity to negotiate alternative arrangements. We will provide appropriate remedies where necessary to minimise any undue hardship or distress.
- 7.2** In handing-over a property to an incoming resident, we will explain how key services operate and demonstrate appliances. We will also provide information on the roles and responsibilities of staff, our customer service arrangements, and how residents can contact us for assistance.
- 7.3** We will maintain appropriate and effective customer service arrangements. We will not require people to contact us using telephone lines that charge more than a basic call rate.
- 7.4** We will agree a clear process for consulting and responding to any recognised residents' association. Where there is no such association we will consult residents informally on significant matters that affect them. We will respond positively to any requests for consultation from residents on such matters, wherever possible.
- 7.5** We will invite feedback from residents on our facilities and services, including those provided by any contractors, at least once a year. We will report back to residents on the findings and on any resulting actions, and if we cannot act on any suggestions, explain why.
- 7.6** We will ensure that any personal care services we offer comply with the requirements of the relevant regulator. Where any such services are delivered by a third party, we will support residents in securing high quality care, including signposting residents to relevant advocacy services, if appropriate. Personal care services will be clearly described in a separate contract between us and the residents involved.



## 8 Handling and resolving complaints

- 8.1 We will encourage our employees to welcome all forms of feedback from customers and residents, whether positive or negative. We will treat all feedback seriously, review it, and use it to promote continuous improvement in our services.
- 8.2 We will maintain a clear written procedure for handling and resolving written complaints. We will make it available to customers and residents. The procedure will include our full contact details.
- 8.3 Our written procedure will assure complainants that:
  - (a) We will deal with written complaints appropriately (e.g. in a speedy, responsive, accessible and user-friendly way).
  - (b) We will acknowledge a written complaint, and provide an initial response in writing, as soon as possible. Where complainants tell us that they are not satisfied with our response, we will not require them to write in again in order to pursue the complaint through any escalation procedure.
  - (c) We will cooperate in the same way with an intermediary acting on behalf of complainants as we would with the complainants themselves.

- (d) We will provide a final decision in writing within 56 calendar days of receiving a complaint, unless we have previously agreed a later deadline.
- (e) We will advise complainants that they may refer the complaint to the relevant Ombudsman Service if they remain dissatisfied with our final decision, or we fail to provide that decision by the relevant deadline.
- (f) We will co-operate fully with the Ombudsman Service during any investigation and comply fully with the resulting decision, which will be binding on us.

**8.4** We will keep a complaints log. We will record the dates when we receive a written complaint, acknowledge it, issue an initial response, and issue a final decision.



## 9 Monitoring compliance with the Code

- 9.1** We will nominate a Code Compliance Officer who will:
- (a) Provide a first point of contact for ARCO on Code compliance matters.
  - (b) Maintain an overview of the implementation of the Code across all our registered retirement communities.
  - (c) Cascade information on the Code, and any guidance on compliance matters from ARCO, to our registered communities.
  - (d) Ensure that we implement any guidance from ARCO on compliance matters, and any future amendments to the Code, by amending our materials, processes and systems, as necessary, as soon as possible.
- 9.2** We will audit our own compliance with the Code at least once a year, take action to rectify any failings as necessary, and make our audit reports available to ARCO assessors.
- 9.3** We will readily facilitate any compliance assessment or investigation by ARCO.



## 10 Promoting the Code

- 10.1** We will inform customers and residents that we subscribe to this Code and make them aware of its benefits. In particular, we will:
- (a) Display the Approved Subscriber logo in our marketing materials and at our registered retirement communities.
  - (b) Make the Code available via our website.
  - (c) Make hard copies of the Code available to customers and residents, free of charge.



# About ARCO

The Associated Retirement Community Operators (ARCO) is the main body representing the retirement community sector in the UK. Retirement communities may also be referred to as retirement villages; extra care housing; housing-with-care; assisted living; close care apartments; or independent living.

## **ARCO continually strives to:**

- Promote confidence in the sector by setting standards for retirement communities, and putting in place a robust system for self-regulation against the ARCO Consumer Code.
- Raise awareness of the retirement community model amongst older people and stakeholders alike – ensuring that all older people are aware of the variety of housing options available to them; and that policy makers fully understand the ways in which this type of housing provision can meet the lifestyle, health and social care needs of our ageing population.
- Increase the volume and quality of expertise within the sector and share this with members, continually investing in research to better understand and promote the socio-economic value of the housing-with-care model.

The Consumer Code applies only to those retirement communities in the UK registered with ARCO by Approved Subscribers to the ARCO Consumer Code. It does not apply to other forms of housing, care or services that an ARCO member may provide. It does not purport to be a comprehensive statement of law. ARCO does not accept liability for errors, omissions or any loss or damage (whether direct or indirect) sustained by anyone acting in accordance with this Code or through the actions of individual ARCO members. If readers are in any doubt about their rights or obligations, they should seek specialist advice from advisory organisations and/or obtain independent legal advice.

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