

June 19, 2023

Backgrounder

Tarion Improving Warranty and Protection Program with New Customer Service Standard

Today, Tarion is announcing changes to the Customer Service Standard (CSS) to create a stronger new home warranty and protection program.

The CSS is the key process for how warranty claims are handled and how homeowners can seek assistance from Tarion. The CSS was introduced in 2004 to add milestones, structure, and certainty to the claims process.

The CSS sets out the method by which a homeowner may make a formal claim to Tarion for assistance, the timelines to make such claims, and the repair timeframes for the builder to address the claim. The CSS is supported by a digital portal offered by Tarion called [MyHome](#) that helps homeowners make and keep track of warranty service claims, and provides a platform to help homeowners, builders, and Tarion communicate about warranty matters.

The CSS includes the steps a homeowner must take to submit a warranty claim, the timelines for submitting the claim, the repair period for builders to complete a warranty repair (or otherwise resolve the claim) and the steps Tarion may take (e.g., conducting a conciliation to determine if a claim is warranted).

If Tarion determines a claim is warranted following the conciliation (which usually involves an inspection by Tarion), the builder must resolve the claim within a set timeframe. Where a builder fails to resolve a warranted claim within the timeframe, the conciliation is considered “chargeable” and will be posted publicly to the builder’s record, unless the builder can provide evidence that the reason for missing the timeline was not their fault. Once the builder repairs the warranted item, Tarion may conduct a claim inspection to verify the repair or step in to backstop the builder’s warranty if the builder is not, or is unwilling to, fulfill their warranty obligations.

Following public consultations in 2020 and 2021 to solicit feedback on proposed changes, and a regulatory consultation in 2022 on regulatory changes, Tarion has made regulatory changes to improve the CSS.

These changes address challenges identified throughout the consultations, including:

- removing obstacles for homeowners,
- reducing pressure on homeowners during the first 30 days,
- the potential issue that homeowners who miss the first submission must wait up to 10 months before being able to trigger Tarion's formal assistance at the year-end.
- addressing restrictive timelines for homeowners to add or submit items,
- removing the 30-day window in which a homeowner can request a conciliation inspection.

A full list of the changes can be found below.

New changes in effect as of July 1, 2023:

Conciliation and Conciliation Assessment Report Timelines

- The current regulatory requirement to conduct and provide a warranty decision within 60 days of a homeowner requesting a conciliation was not workable due to practical scheduling issues, and this was particularly highlighted during the recent pandemic.
- Revised requirements have been introduced. Tarion is required to:
 - schedule a conciliation inspection within 15 days of the request being made by a homeowner;
 - carry out an inspection as soon as practicable following expiry of the builders' repair periods; and
 - provide a Conciliation Assessment Report (CAR) within 30 days of the inspection or, in specified circumstances (such as when further investigations are needed), provide a report on the warranty assessment status and the reason for the CAR's delay.

New changes in effect as of May 1, 2024:

Key Milestones

- 30 day periods have been removed from the CSS.
- The initial submission period is extended to 40 days, formally incorporating the first grace period into the initial submission window.
- A new mid-year submission at six months.
- A year-end grace period will be provided if written evidence can be provided that the issue was previously communicated to the builder.

Identifying and Submitting Items

- Homeowners can identify and add defects to a running list at any time during the first year by leveraging Tarion’s MyHome portal.
- Added items will be consolidated into a “submission list” and automatically submitted to the builder at the new key intervals – 40 days, mid-year, and year-end – and would then generate a builder repair period.

Request For Conciliation (RFC) Process

- The 30-day request for conciliation window has been removed.
- Homeowners will be able to request a conciliation for each submission.
- Homeowners can make this request once the builder repair period has started but the conciliation inspection will be scheduled for a date after the builder repair period has expired.
- However, the conciliation can be earlier, for example, if the builder is unwilling/unable or has indicated to Tarion and the homeowner that it will not conduct repairs because it doesn’t believe they are warranted.
- Multiple conciliations may be consolidated if, for example, they deal with common issues.

Additional information and stakeholder education will be provided during the implementation of these changes before the May 1, 2024, in-effect date.

Tarion is making these changes and creating a stronger new home warranty and protection program to protect all Ontarians and increase consumer confidence when they are making one of their most important purchases.