



# CML Certificates

## Should I accept an instruction to provide a 'Final Inspection' only?

The Developer/Builder has completed a recent project and has approached you to provide a Practical Completion Certificate. Should you take the job?

This is one of the more common queries we receive and, in order to assist, we would like to take this opportunity to highlight the potential issues and hopefully answer any questions you may have.

In general terms, by signing the Certificate you will effectively be stating that the Project has been completed in accordance with the designs and the building regulations. However, as you have not had any involvement in the project before this stage, you are unlikely to be in a position to provide that confirmation. As a result, we would recommend that you do not provide the certificate.

## What are the problems with signing the certificate?

In terms of your liability, by signing the Certificate, you would effectively be creating a liability for the whole of the project and could face claims for any defects at any stage during the development. In the absence of any previous involvement, the creation of this additional liability over and above your appointment may adversely affect the cover provided under your Professional Indemnity Insurance and could leave any claim uninsured.

It may be possible to provide the services, subject to the Certificate being heavily caveated to outline the limited scope of your involvement, although this is unlikely to be acceptable to any Lenders involved in the purchase of the property.

## What advice should I provide to the Client?

It is likely that the Inspection Certificate is required by a Mortgage Lender before they will be prepared to lend against the property. In the absence of the certificate, it may be more appropriate to advise the Developer/Builder to consider obtaining a building warranty and further information can be found at <http://www.ciat-insurance.co.uk/home/new-home-warranty-service/>

# If I am prepared to take on the work, what should I consider?

If you are inclined to take on the work, notwithstanding the potential insurance implications, you should consider the following questions:

- Who was instructed to provide the original designs and obtain planning and building regulations approval?
- Did the Client appoint a Project Manager or Contract Administrator?
- Has the property been inspected at the various stages of construction?
  - o If so, why has that firm declined to provide a final certificate?
  - o If not, why not?

## Is your advice to avoid taking on this type of work?

It is ultimately a decision for you to determine if you are prepared to take on this type of work. However, part of our role at CIAT Insurance Services and the purpose of this note, is to help identify any potential risks that you could face and to help manage your exposure. In this instance, as the potential liabilities involved are likely to outweigh the fees charged for the work, it doesn't appear that this is a risk worth taking.

## Further info

If you would like to discuss the issues raised in this note further please contact:

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