

Board Paper

Open session

Subject:

Code of Conduct Guidance

Board meeting:

21 May 2025

Agenda item:

8

Action:

- For noting ☐
- For discussion ☐
- For decision ☒

Purpose

To publish three initial guidance notes in support of the new Architects Code, and agree to consult on a further three guidance documents

Recommendations

It is recommended that the Board:

- i) Notes the consultation report on the guidance notes on Terms of engagement, Dealing with complaints and Professional indemnity insurance, and agrees to publish them effective from 1 September 2025
- ii) Agrees to consult on three guidance notes on Managing conflicts of interest, Raising concerns and Managing finances appropriately

Annexes

Annexe A: Consultation report on guidance notes

Annexe B Terms of engagement guidance

Annexe C: Dealing with complaints guidance

Annexe D: Professional indemnity insurance guidance

Annexe E: Managing conflicts of interest guidance

Annexe F: Raising concerns guidance

Annexe G: Managing finances appropriately guidance

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1. Open Session

2. Background and Key points

Code of Conduct and Practice

- 2.1. Section 13 of the Architects Act sets out ARB's legal obligations to issue a code of professional conduct and practice and keep it up today. A revised Code of Conduct has been prepared and will be published following a period of consultation.
- 2.2. The new Code is a principle-based document based on six mandatory standards and supported by additional guidance. As part of the consultation on the Code we proposed several professional standards topics that would make up that guidance.
- 2.3. The guidance documents are not mandatory instructions, but advice to architects how they can meet the standards of the code in particular circumstances. They are focussed on matters of higher risk for architects, issues that are in the public interest, or areas of professional practice that architects have told us they would value additional information.

Consultation

- 2.4. The first three guidance documents consulted on are *Terms of Engagement*, *Dealing with complaints*, and *Professional indemnity insurance*.
- 2.5. The consultation report is at **Annexe A**. There were a limited number of respondents, half of whom provided the same response as aligned with the Wren Insurance Association. There were numerous suggestions for amendments to the guidance notes, some of which are agreed and highlighted as changes in the attached annexes.

2.6. There were no fundamental objections to any of the content in the guidance.

New guidance notes

2.7. The next three guidance notes proposed are on *Managing conflicts of interests*, *Raising concerns* and *Managing finances appropriately*.

2.8. With the Board's agreement we will consult on these documents before once again bringing them back for approval prior to publication.

Future guidance

2.9. We plan to begin work on the next tranche of professional standards guidance imminently, to include *Building safety*, *Sustainability* and *Equality Diversity & Inclusion*. We will also be preparing guidance on *Mentorship and Leadership*, to meet the recommendation of the Professional Practical Experience Commission.

2.10. While we have been able to prepare the initial two tranches of guidance ourselves, it will be important to engage with the architectural community and subject matter experts in these areas before consulting on the new documents.

3. Resource Implications

3.1. All communications materials and resourcing for the new Code and guidance can be covered by ARB staff, to reduce external costs, and is accounted for in the 2025 business plan.

3.2. Delivery of the new guidance documents is subject to consultation and feedback.

4. Risk Implications

4.1. There is a key risk around timing. The new format of the Code, built around six high-level Standards, will be enhanced by supporting guidance in certain areas. While that guidance does not necessarily need to come from ARB, we think there is a strong argument for producing guidance on key topics. While the Code is capable of being effective without that supporting guidance, to help facilitate good practice we wish to produce supporting advice without undue delay.

- 4.2. That risk must be balanced against the importance of producing robust and accurate guidance. The guidance notes, while not mandatory, are significant documents that may be considered in the context of disciplinary cases brought against architects.
- 4.3. It is therefore crucial that we take care that the guidance accurately reflects architectural practice and standards, and that those who will be impacted by it have the opportunity to contribute before it is published.
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5. Communication

- 5.1. We will promote the final guidance documents once they are approved by the Board, and promote the new guidance consultation. We will continue to promote the schedule of consultations on draft guidance documents so that architects and other stakeholders are aware of future intended guidance documents. The topics addresses by all guidance documents were consulted on along with the new Code.
- 5.2. We will run a six week consultation for the new guidance notes, which reflects their technical nature and the scope of interest that technical consultations usually receive. We will email all architects directly to make them aware of this consultation as well as the response to the earlier guidance consultation, and the ongoing schedule of guidance notes. We will also promote the response and new consultation on all our usual digital channels.
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6. Equality and Diversity implications

- 6.1. We have not identified any EDI implications from the consultation or arising out of the new guidance notes, although the next tranche of guidance will be more relevant in this area.
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7. Recommendations

It is recommended that the Board:

- i) Notes the consultation report on the guidance notes on Terms of engagement, Dealing with complaints and Professional indemnity insurance, and publishes them effective from 1 September 2025
- ii) Agrees to consult on three guidance notes on Managing conflicts of interest, Raising concerns and Managing finances appropriately

Annexe A – Consultation on First Tranche of Guidance Notes for the Architects Code of Conduct – Analysis Report

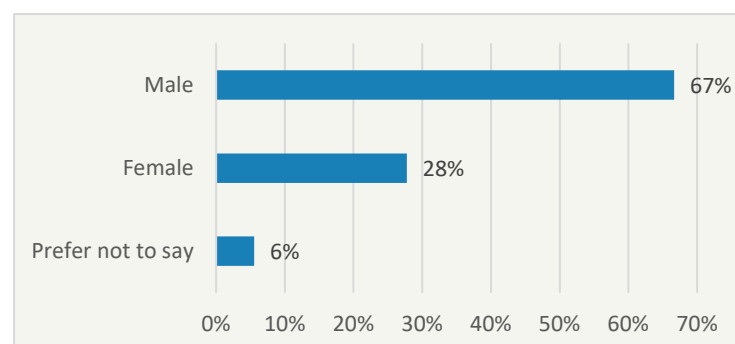
Introduction

1. On 26 February 2025 we launched a public consultation on three guidance notes to support the new Code of Conduct and Practice. The guidance notes we consulted on were:
 - [Dealing with complaints](#)
 - [Professional indemnity insurance](#)
 - [Terms of engagement](#).
2. The consultation was open for six weeks between 26 February and 9 April 2025. During that time, we received 18 responses.
3. In addition to our standard gateway questions, which include demographic questions to help us understand who is responding and also important questions about how we can use the data they choose to share, we invited respondents to answer seven questions. Three of these questions were 'closed' multiple choice questions, by selecting Strongly agree, Agree, Neither agree nor disagree, Disagree, or Strongly disagree. Four questions were optional 'open' questions with free-text elements where respondents could provide more insights into their views.
4. Nine of the 18 respondents (50%) included an aligned response, with each respondent providing nearly identical quantitative responses, while using the same copied and pasted open text response. We have treated each of these as an individual response within our analysis. These aligned responses included a response from Wren Insurance Association Limited.

Demographic information

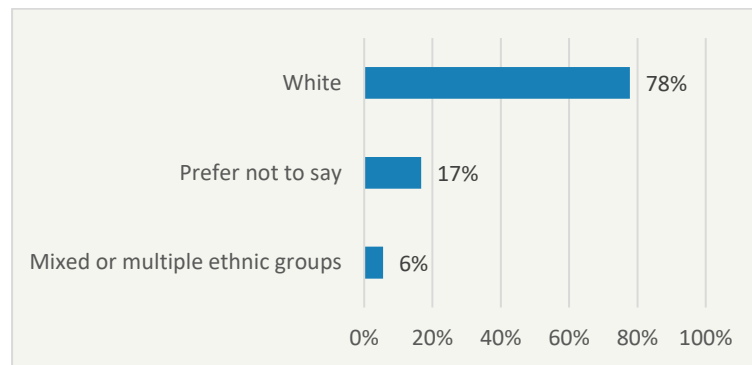
5. Twelve respondents were male (67%), while five respondents were female (28%). One respondent (6%) preferred not to say.

Figure 1: Respondents organised by gender (% of responses)



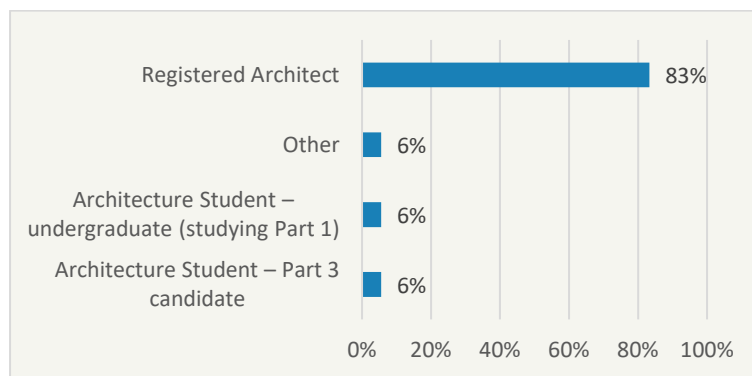
6. Fourteen respondents (78%) were white, one (6%) respondent was mixed or multiple ethnic groups, and three respondents (17%) preferred not to say.

Figure 2: Respondents organised by ethnicity (% of responses)



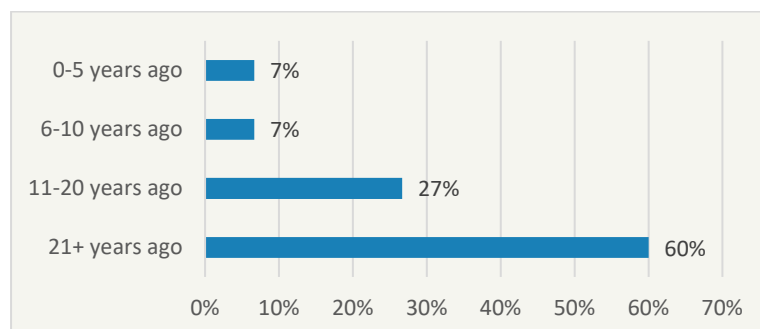
7. Fifteen of the respondents (83%) were registered architects, while two respondents (11%) were architecture students (one studying Part 1 while the other being a Part 3 candidate). The remaining respondent (6%) described themselves as 'other'.

Figure 3: Respondents organised by role (% of responses)



8. Nine of the 15 respondents (60%) who were registered architects had been qualified 21+ years ago and four of these respondents (27%) were qualified 11-20 years ago. One respondent each (7%) had qualified 0-5 years ago and 6-10 years ago.

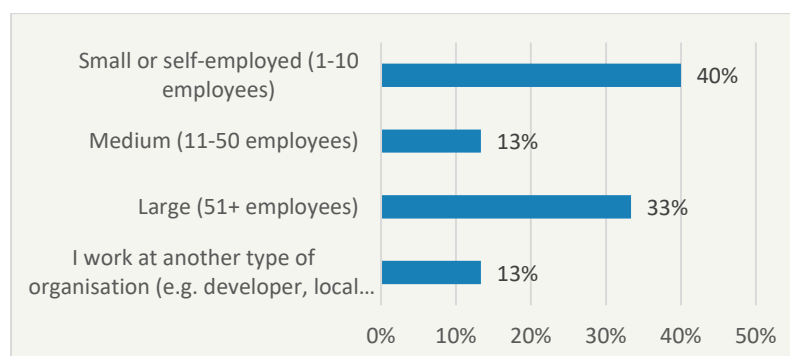
Figure 4: Registered architects organised by time since qualified (% of architect responses)



9. Respondents were employed at a range of architecture practice sizes. Six of the 15 respondents (40%) who were registered architects were from small or self-employed practices, while five (33%) were from large practices (51+ employees). There were two

respondents each from medium size practices (11-50 employees) or another type of organisation.

Figure 5: Registered architects organised by type/size of practice (% of architect responses)



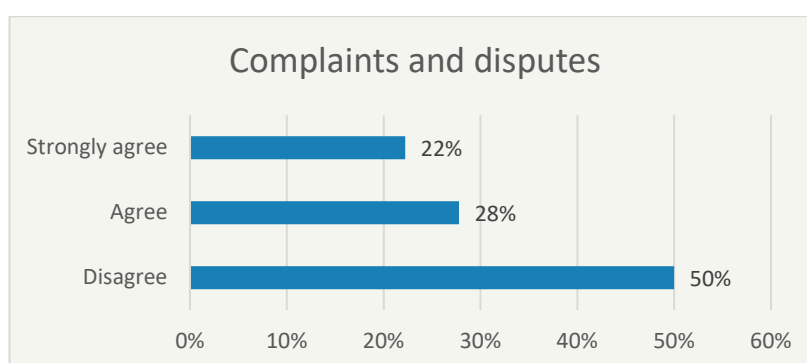
Complaints and disputes

Quantitative results

To what extent do you agree with the content of the guidance on dealing with complaints and disputes?

10. Nine respondents (50%) agreed or strongly agreed with this statement, while another nine respondents (50%) disagreed. No respondents strongly disagreed.

Figure 6: To what extent do you agree with the content of the guidance on dealing with complaints and disputes?



Qualitative results

Is there anything you would change or add to the guidance on dealing with complaints and disputes?

11. Twelve respondents (67%) provided further information in the open text question about complaints and disputes. There were no identified trends across the points raised (although as noted above, some responses were coordinated).
12. Points raised by respondents included:
- that guidance should include clarity to clients on when it was appropriate to make a complaint to ARB, as some clients may make complaints that were not relevant to ARB's responsibilities.
 - that guidance should be clear to clients as to what responsibilities belong to architects and what did not.

- that the ‘further Information’ could potentially include the links to additional online resources to help clients (such as the Building Safety Regulator for complaints under the Building Safety Act).
 - that a complaints procedure should be clearly outlined in any business contract.
13. The nine aligned responses collectively stated that “workmanship” should be replaced with “site inspection or certificate” and stated that complaints about workmanship should be directed towards contractors. Following this, architects may or may not have a duty to inspect and certify depending on terms in contracts.

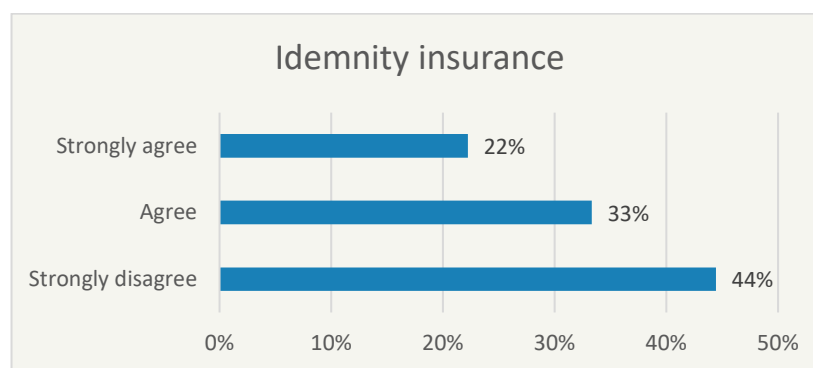
Professional indemnity insurance

Quantitative results

To what extent do you agree with the content of the guidance on professional indemnity insurance?

14. Ten respondents (56%) agreed or strongly agreed with this statement, and eight respondents (44%) strongly disagreed with this. No respondents only ‘disagreed’.

Figure 7: To what extent do you agree with the content of the guidance on professional indemnity insurance?



Qualitative results

Is there anything you would change or add to the guidance on professional indemnity insurance?

15. Twelve respondents (67%) provided further information in the open text question about professional indemnity insurance. There were no identified trends across the points raised (although as noted above, some responses were coordinated).
16. Points raised by respondents included:
- there was nothing explicit to cover architects when they are employed by an organisation they are exclusively working for, such as government bodies or commercial developers.
 - that more information should be provided about why an architect or practice may need to inform ARB about circumstances around non-insurance.
17. The nine aligned responses stated that in the professional indemnity insurance market, exclusions are added and re-worded every year. They were concerned if architects were required to contact former clients who may be affected by the change in coverage. They were worried that it would be impractical and hard for architects to contact all of the clients they had worked with in the last 15 (sometimes 30) years, and to do so each time exclusion wording changes.

18. The group of nine respondents also thought the duty to notify ARB about the circumstances of an architect's noninsurance should only apply where the architect is unable to secure an insurance at all. They said this would reduce the notifications ARB would receive.

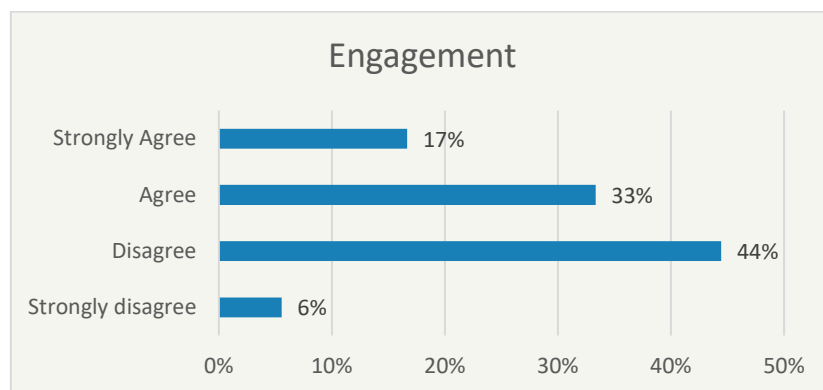
Terms of engagement

Quantitative Results

To what extent do you agree with the content of the guidance on terms of engagement?

19. Nine respondents (50%) agreed or strongly agreed with this statement while the other nine respondents (50%) disagreed or strongly disagreed.

Figure 8: To what extent do you agree with the content of the guidance on terms of engagement?



Qualitative Results

Is there anything you would change or add to the guidance on terms of engagement?

20. Twelve respondents (67%) provided further information in the open text question about engagement. There were no identified trends across the points raised (although as noted above, some responses were coordinated).
21. Points raised by respondents included:
- that architects are not always in control or manage projects and that every project is different, and wording should be amended to encompass the person in charge rather than specifically the architect in charge.
 - that further additional resources should be available on ARB's and other professional bodies' websites (although there was no further detail from the respondent about what this information should be).
22. The nine aligned responses thought that the current provisions of the ARB Code of Conduct and Practice are sufficient and don't need additional information in regards to having the name of the architect in control and management of the architectural work. The aligned responses also stated that it is rare to receive confirmation from clients for terms of engagement and architects should not be penalised if this confirmation is not given. Furthermore, the aligned responses wanted the section about Principal Designers advising their clients of their legal obligations in writing to be removed. They said this is due to solicitors being the only professionals being permitted to give legal advice, and suggested rewording of the draft guidance to reflect this.

Additional feedback

Is there anything further you would like to tell us in relation to this consultation?

23. One respondent suggested that the guidance needed a proofread before publishing due to grammatical errors and missing words.
24. Five respondents used this question to reiterate the points raised in response to earlier questions, or to restate the need to update the guidance documents based on those comments.

Conclusions and next steps

25. No points were raised that would require substantive changes to the guidance documents. We have considered all detailed feedback and updated language in the guidance notes to improve clarity as to the intent of the guidance, or to take account of useful suggestions raised.
26. These changes include clarifying that professional indemnity insurance cover is only necessary to cover contractual liabilities; what an architect's responsibilities are when acting as a Principal Designer, and that architects are generally not responsible for workmanship on a building project.

Guidance on Terms of engagement

Introduction

The Architects Registration Board (ARB) has developed this guidance to support architects in complying with Standard 4 of the Architects Code: *Architects must carry out their work effectively, exercising skill and diligence*

Standard 4 explains that architects will meet this standard when they provide clear, understandable written terms of engagement to their client before commencing work.

This guidance is not mandatory, but any architect departing from it must be prepared to justify why they did so, after using their professional judgment.

The formalities of contract exist within a framework of statutory and common law. This guidance does not repeat that law, and architects should seek formal advice from legal advisors, insurers or other experts on any particular matters.

Why terms of engagement matter

Providing clear and adequate terms of engagement before undertaking work is essential to maintain transparency, build trust, and uphold professional standards.

Clear terms of engagement benefit both architects and their clients. They:

- Establish a shared understanding of the project's scope and objectives.
- Provide clarity on fees, payment schedules, and other financial arrangements.
- Define responsibilities and expectations on both sides.
- Offer a basis for resolving misunderstandings or disputes.

A failure to provide adequate terms of engagement can lead to disputes with clients and to difficulties in architects getting paid for the services they have provided. It is the most common cause of complaints about architects to ARB.

Requirements of terms of engagement

There is a range of standard contracts available for architects to use, depending on the scope and type of appointment. Experts have carefully drafted these documents, so architects should only amend them if they are sure about the potential consequences.

Many architects will choose to create bespoke terms of engagement that meet the requirements of their practice and their clients. All terms of engagement should include, either within the document or supplied as additional information:

- Details of the contracting parties
- The scope of the services to be provided
- The fee, or method of calculating it
- The architect's and client's responsibilities
- Any limitations or exclusions of liability
- Procedures resolving disputes and terminating the agreement
- Confirmation that professional indemnity insurance is held
- That there is a complaints-handling procedure, available on request
- How data will be handled (in accordance with data protection legislation)
- The name of the architect in control and management of the architectural work, and that they are regulated by the Architects Registration Board

Architects must not seek to enter into any agreement which would prevent someone from raising concerns about their conduct or competence with ARB.

Formalising terms of engagement

Architects should always record terms of engagement in writing and provide their clients with a copy. It is important to receive confirmation from a client that they have understood and agree with the terms proposed. A new commission will require new terms to be agreed, even if the parties have previously contracted on other projects.

Amendments to the initial terms of agreement should be recorded in writing by the architect, with a copy being provided to the client.

All communications should be written in a way that will be likely understood by the recipient. Architects should ensure that terms of engagement avoid technical jargon, and they should be prepared to guide clients through the document, particularly if they are unfamiliar with architectural services.

Principal Designer

Architects appointed as a Principal Designer or Designer under the CDM Regulations or Building Regulations have a duty to advise their client that they have ~~of their~~ legal obligations under those regulations.

That advice should be put in writing, and architects ~~Those duties should be advised of in writing before an appointment is accepted. Architects~~ should seek written confirmation from the client that they are aware of those duties before work is commenced.

Additional Resources

For further information and support, architects can:

- Access templates or examples of terms of engagement from professional bodies

- Contact ARB for advice on meeting professional standards
- Seek advice from professional indemnity insurers or legal advisors

Guidance on dealing with complaints

Introduction

The Architects Registration Board (ARB) has developed this guidance to support architects in complying with Standard 4 of the Architects Code: *Architects must carry out their work effectively, exercising skill and diligence*

Standard 4 explains that architects will meet this standard when they deal with disputes promptly and courteously.

This document provides guidance to architects on how they should deal with a complaint or dispute concerning their professional work. The guidance is not mandatory, but any architect departing from it must be prepared to justify why they did so, after using their professional judgment.

Dealing with disputes over professional work can be upsetting, costly and resource intensive. A failure to deal with a complaint effectively can lead to the breakdown of a professional relationship and the escalation of issues; however, a well-managed complaints process can increase client confidence and provide an opportunity to identify areas for improvement within a practice.

This guidance does not replace the need to take professional or legal advice.

Recognising a complaint

A complaint is any expression of dissatisfaction about the work or conduct of an architect, whether made orally or in writing. Architects should be vigilant in identifying complaints, which may include but are not limited to:

- Concerns about the quality of design, inspection or certification ~~or workmanship~~
- Issues relating to communication or delays
- Perceived breaches of contract or professional standards
- Allegations of unprofessional behaviour

Complaints procedure

Architects should inform clients of their complaints procedure through terms of engagement or initial client care documentation. The procedure should be written in plain language and outline how a complaint will be dealt with.

While the length of time to investigate a complaint can vary, it is good practice to provide an acknowledgement within five working days, and either a full response or substantive update within 20 working days.

The complaints procedure should set out that if the complaint relates to the conduct or competence of an architect, then it can be brought to the Architects Registration Board.

Dealing with a complaint

Dealing with a complaint proactively is an excellent way of preventing a grievance escalating into a formal dispute. The following steps will be helpful:

- Recognise and acknowledge the complaint promptly
- Explain who will be dealing with the complaint, and how long it will likely take
- Find out what outcome the complainant is seeking
- Arrange a meeting if that will help getting the required information
- Ensure that accurate records are kept of the actions, communications and decisions made during the investigation
- Provide a written response to the complaint
- Remain polite and respectful, even when the complainant is not

Where possible, it is better to have a complaint investigated by someone senior within the practice that has some separation from the issues complained about.

Unresolved disputes

Despite best efforts, some disputes cannot be resolved to the satisfaction of all parties. In such cases, architects should:

- Seek advice from their professional indemnity insurers
- Consider whether alternative dispute resolution mechanisms, such as mediation or arbitration should be pursued
- Inform the complainant of their right to escalate their complaint to ARB or other relevant regulatory bodies

Architects must not seek to enter into any agreement which would prevent someone from raising concerns about their conduct or competence with ARB.

Further information

For further information and support, architects can:

- Contact ARB for advice on meeting professional standards
- Seek advice from professional indemnity insurers or legal advisors

Guidance on professional indemnity insurance

Introduction

The Architects Registration Board (ARB) has developed this guidance to support architects in complying with Standard 4 of the Architects Code: *Architects must carry out their work effectively, exercising skill and diligence*

Standard 4 explains that architects will meet this standard when they ensure their liabilities are covered by adequate and appropriate professional indemnity insurance.

Financial protection against liability incurred in practice or business related to architecture needs to be in place in the interest of architects, their clients and future users of buildings they have designed. That protection can usually be best found by way of a professional indemnity insurance policy (PII).

There is a strong public interest in architects maintaining proper professional indemnity insurance so that clients and building users have a route to redress in the event of a negligence claim.

This guidance sets out how architects should cover their professional liabilities through PII under the Architects Code of Conduct and Practice. Compliance with this guidance is not mandatory, but any architect departing from it must be prepared to justify why they did so, after using their professional judgment.

This guidance does not replace the need to take professional or legal advice.

What is professional indemnity insurance?

Professional indemnity insurance (PII) provides cover to an individual or company in respect of third-party claims arising from professional negligence or a civil liability arising from professional services that have been provided.

PII policies are written on a 'claims-made basis', which means that it is the policy in force at the time that a claim is notified that would come into effect. For example, a claim brought in 2023 for work carried out in 2019 would be settled under the 2023 policy.

PII policies are provided by various insurance underwriters and arranged by insurance brokers on architects' behalf. The coverage provided by insurance policies can vary in their scope depending on the insurer, but will normally be written for a 12 month period and then renewed as appropriate.

A PII policy will cover legal defence costs arising from a claim against an architect or their business, and any damages awarded in relation to any alleged errors in their architectural service.

Exactly what a policy will cover will always be subject to the policy terms and conditions, particularly in respect of

- Level of indemnity (the maximum amount the policy will pay out)
- The type of loss that will be covered
- Excess levels (the 'first' amount that the insured must pay on a claim before the policy will react)
- Exclusions (areas of architectural practice that will not be covered by the insurance)

Architects Code of Conduct and Practice

Allegations of professional negligence often involve complex and detailed issues, and litigation may be expensive. Even where an architect has found not to be at fault, the costs in defending a claim can far exceed the fees the practice has earned on a project. An uninsured claim can leave clients and the public with no reasonable route of redress, and be ruinous for an architect's practice.

Because of that, under the Architects Code of Conduct and Practice, architects should ensure their liabilities are covered by adequate and appropriate professional indemnity insurance. The insurance should be of a reasonable level to be adequate to meet a claim, taking into account the nature and scope of the work being carried out. Architects should maintain a minimum level of cover, including run-off cover, in accordance with this guidance.

If an architect is the employee of a practice then they should, as far as a possible, ensure that insurance cover has been put in place by their employer. It is an architect's professional responsibility to ensure their professional work is adequately covered.

Some architects may be reliant on others to provide cover/protection on their behalf. Examples of this are those acting as consultants or through agencies. They may not need to maintain their own insurance policy where other appropriate cover/protection is provided on their behalf, but again they should seek confirmation of that cover in writing.

Consideration needs to be given to the issues surrounding *pro bono* work. Work carried out for free is unlikely to be free of liability. It is not uncommon for claims to be made against architects even where no fees are being charged so suitable protection will be required, as for other categories of work.

Architects need to be aware that the terms and conditions of PII policies differ, and should therefore make proper enquiries to satisfy themselves that the policy on offer matches all their requirements.

Consideration should be given to the implications of the date the practice first commenced work and the start date of cover.

Limits of Indemnity

Architects should maintain sufficient cover to meet any claims made against their professional practice.

The level of indemnity required will vary widely, depending on the scale and nature of the architectural work undertaken. While architects should seek expert advice from an insurance broker, there should be in place a minimum level of indemnity to be £250,000 and that insurance should be acquired on an each and every claim basis.

The only exception for this may be in relation to fire-safety claims or cladding claims (see below).

Fire safety and cladding claims

In recent years it has become increasingly difficult for architects to secure professional indemnity insurance in respect of fire safety¹ or cladding² claims. It is therefore acceptable to hold professional indemnity insurance on an aggregate basis to cover these types of claims (and also for those relating to asbestos and pollution).

Where cover is held on an aggregate basis, it is an architect's responsibility that it is held at a sufficient level to fairly reflect the risk of their practice facing multiple claims. That cover may be limited to direct losses arising from a negligent act (that is, consequential losses may be excluded from cover).

It is important to understand that having restricted cover in relation to these areas will not mean that liability is reduced, so architects should take particular care to manage these risks within their practice. Such policy restrictions should only be accepted where there is no alternative after an architect has taken all reasonable steps to find comprehensive cover.

If an architect decides that exclusions must be accepted for commercial reasons, they may need to demonstrate why paying for more comprehensive cover was not viable for their business.

Upon each renewal architects should take all reasonable steps to ascertain whether they are able to remove any such policy limitations, and be able to evidence that they have taken those steps.

It is not acceptable for an architect to carry out architectural work which is subject to a complete exclusion from insurance cover.

¹ Fire Safety Claims means any damage, loss, cost or expense or any other liability directly or indirectly arising from or in any way related to the fire safety or fire performance or combustibility of a building or structure or any part of such building or structure

² Cladding Claims means any damage, loss, cost or expense or any other liability directly or indirectly arising from or in any way related to the combustibility of any composite panels, cladding or façades of buildings or structures, and/or internal or external wall systems and any associated core/filler/insulation material and/or any fixing systems

Uninsured liabilities

If there are new exclusions which apply to ~~historic~~existing contractual liabilities on previous projects, architects should contact former clients to whom the change in policy coverage may affect their ability to bring a claim that is covered by insurance.

If insurance cover for existing appointments is no longer available, architects should notify their client(s) without delay. They may need to seek professional advice on contractual obligations before deciding on whether it is appropriate to remain appointed.

Architects should also write to ARB to explain the circumstances of their noninsurance.

An architect who has acted in accordance with the Code of Conduct and Practice and PII Guidance published by ARB, but had elements of their insurance removed because insurers no longer offer that cover, will not face regulatory action because of it.

It remains the case that all architects should have adequate and appropriate insurance to cover their work, where it is available. They should not accept new commissions for work where they do not have appropriate insurance cover in place. An increase in premium is not a valid reason for not renewing insurance.

Run-Off Cover

The nature of PII means that cover is provided on a claims-made basis, so in order for cover to be provided insurance must be held when a claim is made, rather than when an incident occurred.

A principal or director of a practice should take reasonable steps to ensure there is adequate 'run-off' cover in place when they cease practice, whether because of retirement or the closure of a business, to cover work previously undertaken.

Architects should always maintain a minimum of six years' worth of run-off cover (five years' if they practice in Scotland) and continue to monitor any risk they have of a claim being made against them after this time. This cover should be held at the same level as the last year prior to the cessation of practice.

Architects should be particularly aware of any liabilities that will extend beyond the normal statutory time-limits. These will include contracts that are made under seal (deeds), for which the period of liability is 12 years, or claims that may be brought under the Defective Premises Act.

Insolvency

While a decision to continue with PII in the event of an architect's business becoming insolvent may be taken out of their hands, the principal or director of a practice should still take appropriate steps to protect the interests of their former clients and building users.

This should include making enquiries as to whether run-off cover can be put in place to cover previous liabilities, and to inform their present and previous clients of the position. If a business is being voluntarily closed, then the principal or director of the business is responsible for arranging adequate run-off provisions to cover outstanding liabilities. Such a step should be regarded as part of the expense of winding up a practice, and should be taken regardless of whether or not an architect practises as a sole trader or through a limited company or limited liability partnership.

Notifications

Obligations are not met simply by having adequate insurance in place. To avoid the danger of insurers refusing to cover a claim, it is vital that architects notify them – at the earliest opportunity – of any circumstance that is likely to lead to a claim. Architects are responsible for understanding the terms and conditions of their insurance policy in respect of notifications and they should seek advice from their broker if in any doubt as to whether an incident requires referral to the insurers.

Architects should be extremely careful when completing proposal forms for new insurance or confirming renewal of cover. Great care should be taken in ensuring the information submitted is complete and accurate, so not to run the risk of invalidating the policy.

Code of Conduct Guidance: Managing conflicts of interest

Introduction

The Architects Registration Board (ARB) has developed this guidance to support architects in complying with Standard 1 of the Architects Code: *Architects must be honest and act with integrity*

Standard 1 explains that architects will meet this standard when they declare and manage conflicts of interest appropriately.

This guidance is not mandatory, but any architect departing from it must be prepared to justify why they did so, after using their professional judgment.

When engaged to provide architectural services it is important that architects act with independence, integrity and in the best interests of their clients. When architects are engaged to act between parties, or to give advice, that must exercise impartial and independent professional judgement.

What is a conflict of interest?

A conflict of interest can arise when an architect's ability to exercise judgement is impaired or influenced by personal interests or another relationship.

Architects might have a professional duty to a number of parties or have beneficial personal interests as a result of their professional obligations.

Conflicts can be **potential** and **perceived**, as well as **actual**. Architects should be aware of situations that others may see as being a conflict, even when they do not perceive it as one. A familiarity or long-standing relationship with a contractor, receiving gifts or hospitality from a business, handling confidential information, or having a close association with an individual who has an interest in a supplier (e.g. a spouse/partner or close relative) could all be seen as conflicts.

Managing conflicts

Declaring a conflict of interest plays a vital role in ensuring that architects are acting with honesty and integrity.

Some activities, such as design and build, have inevitable and inescapable conflicts. Architects cannot provide both independent consulting and contracting services. While there is nothing inherently wrong with this arrangement, the conflict must be appropriately managed.

Transparency is the key way of managing a conflict. Architects must be honest and open about any interests they have that might impact on their professional service. Many clients will be ignorant of the potential ramifications of the conflict, so it is the

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architect's responsibility to outline the advantages and disadvantages of proceeding with any course of action.

Architects should declare the conflict to all relevant parties and ensure they receive **informed consent** in writing before continuing to act. This declaration should be made at the time of engagement if conflicts are known, and during the course of the engagement if they arise unexpectedly. Where consent in writing is not received, architects should cease acting for one or more of the parties.

Architects should formalise processes for managing conflicts to ensure they are identified and managed appropriately. A register of interests is an effective way of doing this.

Glossary of Terms

Actual conflict of interest

There is a real conflict between professional duties and interests

Potential conflict of interest

This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk

Perceived conflict of interest

Clients or a third party could form the view that interests could improperly influence decisions or actions, now or in the future

Informed consent

Permission granted as a voluntary choice, having been supplied with full knowledge of the possible consequences

Additional Resources

For further information and support, architects can:

Contact ARB for advice on meeting professional standards

professionalstandards@arb.org.uk

Access templates or examples of terms of engagement from professional bodies

Seek advice from professional indemnity insurers or legal advisors

Code of Conduct Guidance: Raising Concerns and Whistleblowing

Introduction

The Architects Registration Board (ARB) has developed this guidance to support architects in complying with their professional obligations under the Architects Code of Conduct, including acting with integrity, in the public interest, and reporting concerns where appropriate.

The Code explains that architects will meet these standards when they take steps to raise and escalate concerns about serious risks, unlawful activity, or breaches of the Code – including, but not limited to, matters of building safety, discrimination, or professional misconduct.

This guidance is not mandatory, but any architect departing from it must be prepared to justify why they did so, after using their professional judgment.

Issues relating to whistleblowing and workplace concerns may also be governed by legal protections and obligations. This guidance does not restate that law, and architects should seek advice from legal advisors or other relevant professionals where appropriate.

An architect's duty to raise concerns

Speaking up is not always easy. Architects may fear the reaction of their employer or others, that raising concerns will have a negative impact on their career, or that nothing will be done with their complaint. Architects do however have a professional obligation to act in the public interest and must not ignore the behaviour or actions of others which break the law or compromise health and safety.

Standard 1 of the Architects Code requires architects to act with honesty and integrity and says that they should report to ARB where they or another architect may have fallen significantly short of the standards within this Code.

Standard 2 of the Architects Code requires architects to act in the public interest and says that they should report others to an appropriate authority where there are risks to people or the environment.

Architects should use their own discretion in deciding whether to escalate their concerns. Issues that are more likely to require reporting to ARB or another appropriate authority will include:

- Unlawfulness

- Discrimination, bullying or harassment
- Unsafe building design or site practices
- Dishonest or misleading conduct
- Unjustifiable damage to the environment
- Bribery or fraud

Concerns should be raised even if the architect is not directly affected.

How to Raise a Concern

How an architect should raise a concern will depend on their circumstances. They may need to self-report an issue, or report a concern about a colleague, another architect, or someone else they don't have an existing relationship with.

If the concern is about a colleague at work, then the architect should follow their whistleblowing or complaints procedure, where possible, or raise the issue with a senior person or HR department.

Architects are not required to raise the issue internally if requires immediate action, or they believe it will not be taken seriously or lead to reprisals.

Concerns should be recorded in writing, and a record kept of any discussions.

Serious concerns about the conduct of another architect should be raised with ARB at professionalstandards@arb.org.uk

In respect of issues about health and life safety, particularly on construction sites, should be raised with the Health & Safety Executive; or a failure to comply with Building Regulations should be reported to the local Building Control Authority.

Where the concern involves criminal conduct, architects should in the first instance contact the police.

Contact details are provided at the end of this guidance.

Legal Protections for Whistleblowers

The Public Interest Disclosure Act 1998 protects workers who report certain types of wrongdoing in the public interest. If architects raise a concern about health and safety, criminality, legal breaches or cover-ups, they are protected from dismissal or detrimental treatment.

The Worker Protection (Amendment of Equality Act 2010) Act 2023 provides legal protection from retaliation against anyone making a disclosure of sexual harassment, where that disclosure has been made in good faith.

Fostering a Speak Up Culture

All architects should help create and maintain a professional culture where concerns can be raised without fear of reprisal, and issues are dealt with constructively and confidentially.

If an architect is unsure whether to raise a concern, or how to do so, they may want to speak to a trusted colleague or supervisor or can seek advice from ARB. They can also seek confidential advice from whistleblowing organisations such as Protect: Speak up, stop harm.

Raising a concern in good faith is not only a legal right – it is a professional responsibility. Architects should be prepared to challenge wrongdoing and act in the public interest.

Useful contacts

Protect: Speak up, stop harm (<https://protect-advice.org.uk/>)

Health & Safety Executive (<https://www.hse.gov.uk/contact/tell-us-about-a-health-and-safety-issue.htm>)

Building Safety Regulator (<https://www.gov.uk/guidance/contact-the-building-safety-regulator>)

Find your local council (<https://www.gov.uk/find-local-council>)

Code of Conduct Guidance: Managing Finances Appropriately

Introduction

The Architects Registration Board (ARB) has developed this guidance to support architects in complying with their professional obligations under the Architects Code of Conduct. Under Standard 4 of the Code (Professional Practice) all architects must carry out their work effectively, exercising skill and diligence.

The Code explains that architects will meet this standard when they manage their professional finances properly, and this guidance sets out the key expectations and practical steps architects should take to meet their professional obligations in relation to financial management.

This guidance is not mandatory, but any architect departing from it must be prepared to justify why they did so, after using their professional judgment.

This guidance does not restate that law or seek to provide financial advice. Architects should seek advice from financial and legal professionals where required.

Handling Client Money

Client monies should be held separately, in a designated client account. Architects should not mix client money with business or personal funds. Client money should only be used in accordance with written agreement from the client, and any unused money be returned promptly.

Clear records of how client money is spent should be kept, including receipts for purchases made on the client's behalf.

For example: an architect who has received client funds for planning fees should place the money in a client account, use it only to pay the planning authority, and return any leftover balance to the client with a receipt.

Managing Insolvency Risks

Financial instability and insolvency represent important risks to architects and their clients. Fluctuations in the economic climate can leave architects practices particularly vulnerable to insolvency, but there are steps architects can take to mitigate those risks.

Even if they are not primarily liable for the financial management of the practice, architects have a professional responsibility to ensure that the practice meets its responsibilities towards clients and the Inland Revenue.

Architects should remain vigilant for warning signs about the financial health of their practice. Unpaid fees, loss of clients, rising debts and the inability to meet tax obligations should lead architects to consider whether professional financial advice is necessary. Seeking early advice will reduce the risk of insolvency.

Example: Facing cashflow problems, an architect seeks early advice, restructures payments, and maintains service to clients without abandoning projects.

If a practice goes into liquidation or administration, then any architect acting as a director should notify ARB of the circumstances which led to the insolvency within 28 days. They should also contact existing or previous clients affected, to provide them with the necessary information.

A director of a practice must work with the Insolvency Practitioner to comply with legal requirements. Continuing to trade while insolvent or failing to minimise losses to creditors can amount to wrongful trading and may lead to personal liability.

Becoming insolvent or facing financial difficulties will not in themselves result in disciplinary action. Regulatory action will only be taken by ARB where there is evidence that an architect has acted without integrity, or with a wilful disregard of their financial responsibilities.

Responsibilities as a Company Director

An architect acting as the director of a company should understand their duties before undertaking the role. These responsibilities include (but are not limited to):

- acting in the company's best interests and prioritising creditors if insolvent
- avoiding conflicts of interest (see separate guidance note '*Managing conflicts of interest*')
- ensuring that that company accounts and returns are accurate and up to date
- ensuring that the company complies with its tax, employment and regulatory obligations

Additional Resources

For further information and support, architects can:

Contact ARB for advice on meeting professional standards
professionalstandards@arb.org.uk

Access templates or guidance on managing finances appropriately from professional bodies