

The complaint

Mr P complains about delays and poor claim handling by National House-Building Council.

What happened

Below is intended to be a summary of what has happened, rather than a detailed timeline with all issues listed.

Mr P bought a new build property that was sold with a 10-year NHBC Buildmark warranty.

Mr P said, among other things, the waste pipe to the sink in the bathroom wasn't connected properly which caused waste water to leak into the bathroom and down the walls into the room below causing damage. He also noticed several issues with the fitment of the doors and windows in the house and the heating and thermostats not working correctly. As Mr P noticed the issues within the first two years of the policy, he raised them with the builder for it to rectify.

The builder completed some repairs but, others had not moved forward at all, or to Mr P's satisfaction. In November 2018, Mr P approached NHBC to see if it would assist him to resolve the issues with the builder.

NHBC completed a resolution report in February 2019 and gave the builder until 11 April 2019 to resolve all of the issues. The builder was unable to rectify all of the issues by this date but said it was working with Mr P to find a solution. NHBC then gave the builder two further deadlines, 30 May 2019 and 31 July 2019 to put matters right before it said it would take over the builder's obligations, as set out in the Buildmark policy.

Between these dates there was a significant amount a correspondence between all of the parties involved, numerous meetings and attempts made at some of the repairs. However, at the end of July many issues remained outstanding so NHBC took over the builder's obligations and it instructed its surveyor to put together a schedule of works to capture all of the outstanding issues.

In September 2019 NHBC let Mr P know it had taken over the claim from the builder and sent him a schedule of works with associated costs. Mr P complained about how long things had taken and the distress and inconvenience it had caused him. He said he'd previously been told on two occasions that senior managers would return his calls, but this did not happen. He'd also previously asked for the case handler to be changed as he didn't feel the claim was being managed well. Mr P was also unhappy with the schedule of works and disputed this further with NHBC.

NHBC looked at Mr P's complaint. It explained in the first two years of the Buildmark policy it is the builder's responsibility to rectify issues with the property. Its resolution service is designed to help resolve issues between a homeowner and builder. It overtook the builder's obligations as it had not met the deadline set to rectify the outstanding issues.

NHBC said that it considered Mr P's request for the case handler to be changed but let him know it didn't feel that was an appropriate course of action to take, and any change in case handler could cause further delays. However, it apologised for the fact calls weren't returned to Mr P and offered him £650 compensation to recognise the delays and poor service he'd received.

Our investigator looked at the case. He explained our service only had power to consider issues that happened after 11 April 2019 - the first deadline that was given to the builder on the resolution report. Our investigator said that he thought NHBC should have taken over the claim from the builder at an earlier point, in May 2019 after the first extension of time passed. And, because it didn't do that, he thought NHBC had caused the claim to be delayed. However, he thought the amount of compensation offered by NHBC was sufficient to reflect this delay and the poor service Mr P had otherwise received.

Mr P didn't agree and asked for an ombudsman to review the case. In doing so he made the following points:

- Nothing has been done to convince NHBC to provide a better service based on the FCA's values, principles and standards.
- NHBC's processes didn't align with the Buildmark policy and forced him to comply with their instructions against the policy.
- He asked for the case handler to be changed and this was refused.
- He gave the builder ample opportunities to fix things but despite numerous meetings and visits, very few issues were fixed.
- For each visit he had to take a day off work.
- He doesn't believe the builder, despite its visits, had any intention of fixing the issues. Its intention was to frustrate him.
- He doesn't believe the offer of compensation adequately reflects the annual leave he had to take, the hundreds of emails he had to send, the extended period he spent without heating and other inconveniences.
- He has been abused, harassed and treated as rubbish in a vulnerable situation, with his personal and professional life disrupted.

The case has been passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr P has another complaint at this service which explains we are unable to consider issues that happened prior to 11 April 2019. It is only from this date; this service has the power to look into the matters Mr P has raised. This complaint looks only at issues that happened between 11 April 2019 and when NHBC issued its final response to Mr P's complaint on 9 September 2019.

I understand Mr P has strong views about what has happened, and he's provided numerous submissions to support the complaint, which I've read and considered carefully. However, I hope Mr P won't take the fact my findings focus on what I consider to be the central issues, and not all the points raised, as a discourtesy. The purpose of my decision isn't to address every single point the parties have raised or to answer every question asked. My role is to consider the evidence presented by Mr P and by NHBC and reach what I think is a fair and reasonable decision based on the facts of the case.

I'll now explain why I think NHBC hasn't acted unfairly.

Mr P has said that NHBC's processes don't align with the Buildmark policy. While he hasn't expanded further on this point, I take it that he is referring to the fact NHBC decided to extend the time the builders had to rectify the issues, after the initial deadline it set in its resolution report. And, he had no say in this happening.

Based on the evidence available to me, and the amount of issues outstanding, I think it was reasonable for NHBC to give the builders until 30 May 2019 to resolve all of the issues. I say this because the builders indicated to NHBC they were confident matters were moving forward and visits were, or were about to be booked into complete the repairs. I can understand why, given what had previously happened Mr P may have, and in this case, rightly, doubted the builders should be given more time but the Buildmark policy does allow NHBC to consider this course of action. And, on many occasions this is the right thing to do as issues are resolved more quickly than they would be if NHBC took over the process.

However, I do think, NHBC should have taken over the builder's responsibilities after this further deadline had passed. At that point several appointments had been missed by the builder and no significant progress had been made with the repairs. It was also becoming clear that the relationship was breaking down between Mr P and the builder. I think by allowing the builders more time, NHBC caused a two month delay in the claim moving forward.

At this point Mr P asked for the NHBC case handler to be changed which was refused. I can understand why Mr P made this request, but I don't think NHBC acted unreasonably by refusing. This is a very involved claim and changing the case handler would have undoubtedly caused some delay while the new case handler got up to speed with everything that had happened.

It took NHBC around five weeks to provide Mr P with the scope of works and associated costs, after it took over the builder's responsibilities. I don't think this was an unreasonable amount of time. Mr P has disputed the scope and costings, but this matter is being dealt with under another complaint at this service, so I won't consider it here.

I understand Mr P's overall experience with the builder caused him a great deal of distress and inconvenience and he's set out in detail the impact this had on him. But as I've explained above, I can only consider the actions of NHBC in this decision and only matters that happened after April 2019. I realise that asking Mr P to continue dealing with the builder after April 2019, and there being further missed appointments with no real progress, would have been very frustrating for Mr P. As I've decided above that NHBC should have taken over the claim two months earlier than it did, I do think Mr P was caused additional trouble and upset within this time.

NHBC has offered Mr P £650 compensation. And, taking everything into account, I think this is a reasonable amount and it fairly reflects the trouble and upset NHBC's actions caused. I won't therefore be asking NHBC to make any further payment to Mr P.

I understand that Mr P also has concerns about NHBC's conduct more widely but we aren't able to address those at this service as we aren't the regulator. Our role is to consider the individual circumstances of each complaint.

My final decision

My final decision is that I don't uphold Mr P's complaint against National House-Building Council.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 15 September 2020.

Alison Gore
Ombudsman