

The complaint

Mr and Mrs B complain that National House-Building Council (NHBC) poorly handled their buildings warranty claim.

What happened

Mr and Mrs B purchased their new build home in 2014 which came with a NHBC Buildmark 10-year warranty. They followed the necessary claims process under their warranty for defects associated with the property. In 2016 NHBC took over responsibility for the claim from the builder. Mr and Mrs B have been unhappy with NHBC's handling of the claim since.

A final decision was issued by this service on a previous complaint brought by Mr and Mrs B which addressed matters that took place between October 2017 and November 2018. They've since brought a new complaint regarding further issues that NHBC addressed in a final response letter (FRL) it issued in July 2019.

In summary, under this new complaint Mr and Mrs B said that NHBC had;

- further delayed resolving issues at their home;
- failed to resolve reported issues;
- put the work out to tender to supply them with a cash settlement;
- refused to pay for items damaged by their appointed contractors (Company A), and
- caused delays and gave a poor service.

In its July 2019 FRL NHBC said that in line with the policy terms, it was looking to cash settle the claim and that once the tender process was complete an accurate cost of the schedule of works would be obtained, allowing it to formulate a fair cash settlement so Mr and Mrs B could appoint their own contractors to carry out any necessary remedial works.

It accepted there'd been further delays in the resolution of Mr and Mrs B's claim, some of which could've been avoided by better claim handling on its part. It apologised for this and offered Mr and Mrs B a further £400 compensation (this was in addition to £600 compensation it'd offered for delays and poor service under a previous complaint it responded to a few months prior). But it said any issues with its appointed contractors would need to be raised directly with these parties.

Our investigator explained she could only consider events that took place between November 2018 and July 2019. She said the decision to cash settle the claim and the use of the tender process was fair and in line with the policy terms. And while she agreed there'd been failings by NHBC in its overall handling of Mr and Mrs B's claim, she acknowledged that complex claims, such as theirs, can take time to resolve. She thought the compensation NHBC had offered Mr and Mrs B fairly recognised the trouble and upset caused. And she was satisfied NHBC had agreed a fair way to move the claim forward. But she said if it's established Company A caused loss or damage to

Mr and Mrs B's items/property then all of this should be rectified by NHBC. Mr and Mrs B asked that the case be considered by an ombudsman, so it's been passed to me to make a final decision.

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.

Within this complaint I've considered matters NHBC responded to in its July 2019 FRL. This FRL addressed several complaint points Mr and Mrs B raised. But it's my understanding that most of these points have now been resolved. So this decision will only address what I understand is still in dispute.

Compensation for delays and poor service

In summary, Mr and Mrs B complain the £400 compensation NHBC offered, doesn't fairly recognise the trouble and upset caused to them in this case because;

- NHBC led them to believe the remedial works at their property would be resolved by the end of 2018 – this never happened.
- They were then told the work had been put out to tender with an expected cash settlement to be arranged by the end of May 2019, again, this never happened.
- At the time of the July 2019 FRL, much of the remedial work due on their property was still outstanding and they had to spend time chasing up repairs they were told would be included in the schedule of works that weren't.
- When they complained and asked to speak to a manager, they received no reply.
- While NHBC caused delays to their complaint they had to live in a hotel without their personal possessions and standard items.
- They had to have furniture in storage for a significant period because their house was unsafe and boarded up.
- NHBC's constant delays and poor service caused their family depression, anxiety and stress.

Looking over this complaint, it's clear to me there's been failings on NHBC's part in resolving the issues with Mr and Mrs B's home in a reasonable timescale. While I agree with our investigator that cases of this nature can naturally take more time, it's evident there's also been avoidable delays caused by NHBC during the period I can consider in this case. And this, alongside living away from their home, without their usual comforts, would understandably have taken its toll on Mr and Mrs B and their family.

NHBC doesn't disagree its service and timeliness hasn't always been at an acceptable standard. And in response to many of the complaints Mr and Mrs B have made, it's offered various levels of compensation in recognition of this. But I'm considering the compensation offered in the July 2019 FRL – which addressed further delays since April 2019. NHBC explained that while it'd hoped a cash settlement offer would be in place by that point, when it put the work out to tender, there was a lack of cooperation from the contractors which resulted in further delays. And as a result, it had to relaunch the process again.

This further delay was understandably disappointing – but arguably somewhat out with NHBC's control if the contractors weren't cooperating. And I understand NHBC's point that the tender process was important so that it could ensure accurate costs for the remedial work were generated for the cash settlement, thus avoiding Mr and Mrs B being disadvantaged in any way.

While I don't underestimate the impact NHBC's actions had on Mr and Mrs B and their family, I think the key resolution to this is that the remedial works at their property are completed and resolved to an acceptable standard. And as I understand it, Mr and Mrs B are no longer disputing NHBC's progress on this – which is positive to hear.

With all that in mind, I think the £400 compensation offered by NHBC fairly recognises the trouble and upset its further delays caused for the period in question. It's broadly in line with what I would've recommended if NHBC hadn't done so already, so I won't be directing it to increase this any further.

Loss or damage of items

When Mr and Mrs B brought their complaint to this service, they said Company A had caused loss and damage to their home and belongings – specifically, losing fittings to a window blind (which I understand has now been resolved) and damaging their front door. More recently they've given more detail on this, saying Company A caused damage to items that were previously in storage and that they incurred disposal costs for these damaged items.

NHBC initially responded to this part of the complaint by saying that any issues with loss or damage caused by Company A would need to be taken up with them directly. But I disagree. From what I've seen, Company A were NHBC's appointed contractors and so NHBC should take responsibility for any loss or damage they may have caused in this case.

Putting things right

I agree with our investigator that NHBC should consider Mr and Mrs B's claim for loss and damage to their items and property they say was caused by Company A. And on receipt of suitable evidence from Mr and Mrs B, if it's demonstrated that Company A was most likely responsible this loss or damage, I'd expect NHBC to rectify it or reimburse them for it.

My final decision

For the reasons set out above, my final decision is that National House-Building Council must:

- Consider Mr and Mrs B's claim for loss and damage to their items and property that they say was caused by Company A.
- Pay Mr and Mrs B a total of £400 compensation for the trouble and upset caused in this case (if it hasn't done so already).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 12 March 2021.

Rosie Osuji
Ombudsman