

## **The complaint**

Mr and Mrs I complain about how National House-Building Council (“NHBC”) handled their claim on their building warranty.

## **What happened**

Mr and Mrs I bought a home with a ten-year building warranty. In November 2018 they made a claim under section three of the warranty as the floor of their balcony was spongy and unable to hold loads. NHBC accepted the claim and sent a contractor out to inspect the damage. The contractor decided it would be best to start work in March 2020 to try and avoid any bad weather that would make repairs more difficult.

However there was a delay to work commencing in March 2019. In June 2019 NHBC contacted Mr I to check if he would like to proceed with repairs or to accept a cash settlement. In November 2019 he confirmed he would like NHBC to carry out the repair work. It was agreed this would start in March 2020.

In March 2020 NHBC’s contractor attended Mr and Mrs I’s property and erected scaffolding. However shortly after this, lockdown restrictions were imposed by the UK government due to the coronavirus pandemic. This meant work couldn’t begin.

In June 2020 restrictions were lifted on construction work. Due to the backlog of work NHBC’s contractor couldn’t begin the work on Mr and Mrs I’s property until August 2020.

Mr and Mrs I weren’t happy with this. They said they didn’t want the same contractors to return as they had been rude to them on the phone. Further they said the work had taken too long too complete and it had meant they had lost out on selling their house and buying a house they had an offer accepted on. They also said the scaffolding had caused damage to their home. They made a complaint.

NHBC upheld their complaint. It said it agreed there had been some delays throughout the claim and offered £500 compensation to make up for this. It also said its contractors had been instructed to repair the damage caused to the property by the scaffolding.

Mr and Mrs I didn’t think this was enough. They said that due to the delay to the work being completed, their house sale fell through and they lost out on buying their dream home. They said NHBC should pay more compensation to make up for this. They brought their complaint to this service.

Our investigator didn’t recommend the complaint be upheld. She said that she agreed there had been a number of delays and some of these had been caused by NHBC. But she thought £500 compensation was fair to compensate for these delays.

Mr and Mrs I didn’t agree and asked for their complaint to be reviewed by an ombudsman.

## **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 and Mrs I are unhappy with the length of time their claim has taken to resolve. They say this has caused them additional distress and has meant they lost out on buying a house because of the delays.

Insurance claims, by their nature, will often be lengthy and this can cause significant distress. When considering this complaint I am looking at the actions of NHBC. So will consider whether NHBC has caused delays that could have been avoided and the impact these have had on Mr and Mrs I.

The claim was first raised in November 2018 and at this time it was progressed promptly by NHBC. It agreed to begin work the following year in March, to avoid difficult weather conditions and I think that's reasonable. However between March and June 2019 there were delays to the work commencing. And NHBC has accepted these could have been avoided.

In June 2019 NHBC contacted Mr I to ask if he would rather take a cash settlement and arrange the works himself. Mr I didn't confirm his decision until November 2019. This meant the work couldn't begin until March the following year to again allow for weather conditions.

Shortly after the scaffolding was erected, the UK went into a national lockdown. This meant work couldn't begin as planned. And when restrictions were lifted, there was a delay due to the backlog of work NHBC's contractors had to work through. So the first available time the work could begin was August 2020.

From looking at the progress of the claim, I agree NHBC delayed the work beginning in March 2019. And I can't see that any meaningful action was taken on the claim between March and June that year. So I think it caused a delay of around three months there.

However after this, while I can see the claim was delayed, I don't think NHBC were responsible for these further delays. It had to wait for confirmation from Mr I about how he wished to proceed. Then when work was about to begin, the UK went into a national lockdown which meant this was no longer possible.

Mr and Mrs I have said they didn't think it was reasonable that the earliest date they were offered for work to re-start after lockdown was August 2020. They said they felt other work was prioritised above theirs which wasn't fair.

I can understand how frustrating it would have been to find out that it would be another two months until work could start, after they'd already waited for so long. And I appreciate during this time they were unable to use their balcony, which would have been disappointing and inconvenient. However NHBC's contractors had a number of commitments for other jobs. And it chose to prioritise work that was required to vital areas of a house – such as kitchens and bathrooms. And I think that was reasonable in the circumstances. So I don't think the delay to starting work after lockdown could have reasonably been avoided by NHBC.

So while I don't doubt how upsetting it was for Mr and Mrs I to have to live with scaffolding on their property and without the use of their balcony, I don't think NHBC acted unreasonably by offering to start work in August. Based on this, overall I think NHBC caused a three month delay to Mr and Mrs I's claim. It has offered £500 compensation to make up for the delay caused. And I think this is reasonable in the circumstances.

Mr and Mrs I have said that due to the delay in getting the work completed, they've lost out on their dream home, as the sale fell through as they hadn't been ready to sell their own home. While I appreciate how distressing this would have been, I don't think this was due to

the actions of NHBC. While I agree NHBC caused three months of the delays to the work being completed, the further delays were out of its control. So I can't say it was responsible for the work not being completed when the house they wanted came on the market.

Mr and Mrs I have also complained about the contractors NHBC used. They've said they were rude and unhelpful on the phone, which caused additional distress.

While I haven't been able to listen to the call between Mr I and NHBC's contractor as it wasn't recorded, I don't doubt Mr I's account. And I agree this would have been distressing. I can also understand why Mr I may have wanted to use different contractors to carry out the work because of this.

NHBC has explained that it only has one suitable approved contractor for the required work. It isn't unusual for insurance companies to only work with a limited number of suppliers, so I don't think this is unreasonable. Further NHBC has offered to pay a cash settlement rather than complete the work, so Mr and Mrs I could arrange a contractor they feel more comfortable with. And I think that's reasonable in the circumstances.

Mr and Mrs I have also said they're unhappy as the scaffolding has caused damage to their property while it has been in place. NHBC has asked its contractors to attend to fix any damage this has caused. And I think this is reasonable to resolve the problem.

For these reasons I think NHBC has acted fairly and reasonably. I agree it has caused three months of delays. And that its contractors didn't provide good service on the phone. However its offered £500 compensation to make up for the distress this would have caused. And I think that's fair in the circumstances.

### **My final decision**

For the reasons I've given, I don't uphold Mr and Mrs I's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I and Mr I to accept or reject my decision before 25 June 2021.

Sophie Goodyear  
**Ombudsman**