

## **The complaint**

Mr C has complained about the way National House-Building Council (NHBC) has handled a claim under his building warranty.

## **What happened**

Mr C owns a house that was built in 2018. It came with a ten year NHBC warranty starting on 30 July 2018.

In March 2020 he contacted NHBC about various defects in his property. In June 2020 Mr C had a professional company carry out an inspection. It identified 168 snagging items.

In September NHBC inspected the property. It found that the builder hadn't complied with its requirements in 19 respects. It required the builder to put right the defects by 30 October 2020.

Mr C complained to NHBC in November because some of the remedial works were still outstanding. He also wasn't happy that NHBC wasn't taking responsibility for them under its guarantee.

NHBC said during the first two years of the warranty it was the builder's responsibility to rectify any issues that didn't comply with NHBC requirements. It explained that where a dispute of a technical nature arises between the builder and a consumer, it offers an impartial opinion as to whether the builder has complied with its requirements. If there has been non-compliance, it would first ask the builder to carry out such work as necessary to rectify the problem.

NHBC said in Mr C's case, the builder wasn't disputing that some works were still needed, in particular a new front door. It said although the deadline had passed, the builder was committed to doing what it was required by NHBC to do.

Mr C referred his complaint to this service. Our investigator didn't uphold it. He didn't think NHBC had treated Mr C unfairly. As Mr C didn't agree, the matter has been passed to me.

## **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.

In the first two years of the warranty NHBC is acting as a mediator between the builder and consumer in order to:

- identify what faults there are in the newly built or converted home
- decide what needs to be done to fix them (within the scope of the warranty)
- decide when the repairs need to be completed by.

This is known as the resolution service. This service isn't a regulated activity in itself (in part because it doesn't amount to a contract of insurance). So complaints about this aren't in our jurisdiction. This means I can't look at whether NHBC treated Mr C fairly in saying what repairs needed to be remedied by the builder.

I can only look at complaints about claims arising in the first two years of the warranty if one of the following has happened:

- a resolution report has been completed
- the report has directed the builder to do something by a deadline
- the builder has failed to complete the works by the deadline or is insolvent.

In this case the builder failed to complete all the works required of it in the resolution report by the deadline of 30 October 2020. So I can consider this part of Mr C's complaint and decide whether in order to treat Mr C fairly NHBC should have assumed the builder's responsibilities. When I look at complaints, I usually only look at the actions of a business up to the point of its final response letter on the complaint. In this case that was 13 January 2021. I know there are unfortunately still some outstanding problems but I can't look at those here.

I appreciate that Mr C is far from happy with the builder's response and the deadline for the works has passed. But I can't say that the builder has failed to co-operate regarding the works which NHBC said it should do. For example it ordered a new front door which was due to be fitted at the end of March 2021. A plumber attended in October 2020 in connection with the shower valves. In January 2021 someone attended (amongst other things) to rehang cupboard doors and inspect a letter box.

While I do sympathise with the frustration Mr C has experienced with repairs taking so long, I think it was reasonable for NHBC not to take over the claim in January 2021. I say this because many of the repairs took place during the pandemic which made things more difficult. Also throughout this period the builder was engaging with Mr C and NHBC and it remained willing to carry out the works.

I'm sorry to learn of the problems Mr C has experienced with his property. But because of the willingness of the builder to carry out the works which NHBC required, I don't think NHBC treated Mr C unfairly by not taking responsibility for them under its guarantee.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 August 2021.

Elizabeth Grant  
**Ombudsman**