

The complaint

Mr B complains about the way claims under his building warranty policy have been handled by National House-Building Council.

What happened

Mr B has a buildings warranty with NHBC which covers the new-build home he bought in early 2016.

The background to this complaint is well known to both parties, so I needn't go into great detail here.

Suffice to say, Mr B has identified a very large number of issues with the way his home was built.

He's made a number of claims to NHBC over the past few years. And he's made a number of complaints to NHBC and to our service.

In March 2021, an ombudsman made a final decision on a complaint made to us by Mr B. He said NHBC should pay Mr B £500 in compensation for the trouble and upset he'd suffered as result of avoidable delays in the handling of the claims.

And he said NHBC should cash settle the claims, subject to Mr B providing them with quotations for the necessary repair work.

Since then, Mr B says NHBC have tried to consolidate his claims so that all the remaining repairs can essentially be dealt with as a piece. Mr B isn't happy with that because he thinks NHBC may miss some elements of his claims under the cover of de-duplicating outstanding issues on the various claims.

He's also unhappy that NHBC won't cover the cost of obtaining quotations for the work. He says builders are asking him for £300-£500 just to provide a quotation

Mr B made a complaint to NHBC about those points. He's also asking NHBC to cover the cost of two expert reports he commissioned (at £650 and £1,050 respectively).

He also wants NHBC to cover costs for repairs already carried out to his gutters (just over £70) and for window cleaning costs (£30). And he wants NHBC to pay him compensation he says is owed from previous complaints (to NHBC and to us) – at £150, £400 and £250 respectively.

NHBC didn't uphold Mr B's complaint so he brought it to us.

Our investigator thought it was reasonable for NHBC to consolidate the claims. He didn't think NHBC should pay for the expert reports Mr B had commissioned.

And he thought one lot of compensation (£250) needn't be paid – and in respect of the other two (£150 and £400), NHBC had reasonably asked Mr B to sign acceptance forms, which he

hadn't yet done.

However, he thought NHBC should pay the repair and cleaning costs relating to the windows and gutters – as long as Mr B could provide invoices etc.

He thought NHBC should pay any costs Mr B incurred for providing quotations, subject to him being able to show that those costs had been incurred and were necessary.

And he thought NHBC should pay Mr B £150 in compensation for their lack of proactivity in progressing Mr B's claims, which had led to further delay after our previous final decision in March 2021.

NHBC didn't agree to that proposed outcome, so the case has been put to me for 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.

I should be clear at the outset that in this decision I can only look at what's happened in the period between NHBC's previous final response to Mr B – which led to our previous final decision in March 2021 – and the date of the most recent NHBC final response in September 2021.

I appreciate that this has been a difficult case for NHBC to deal with. There are multiple and partly repetitive claims, although Mr B tells us this was at NHBC's insistence until very recently when they decided to consolidate the remaining issues under one claim reference number. And there are hundreds of faults – and/or alleged faults – in the way the house was built.

I can also see from evidence we have on file that Mr B refused at one point to discuss the claims with NHBC because he didn't want to accept their proposal that the claims be consolidated.

However, I agree with our investigator that there have been delays which were avoidable and which were primarily NHBC's fault. They could, in essence, have been more proactive in looking for a mutually acceptable solution and moving the claims forward.

I also agree that £150 is fair and reasonable compensation for the trouble and upset Mr B has suffered as a result of those NHBC failings. More than a year has now passed since our previous final decision, which might have been expected to result in a speedier resolution of these matters.

That is a long time. And it's a further year or more of stress and inconvenience for Mr B. But I also have to take into account that NHBC aren't solely responsible for the delay. There have been impasses at points where NHBC and Mr B simply couldn't agree on how things should move forward.

I agree with our investigator that NHBC aren't liable for the costs Mr B incurred in obtaining the two expert reports on the state of his property. The claims hadn't reached a point where NHBC were declining to carry out or pay for the repairs Mr B wanted. They were still under consideration.

If NHBC had declined a substantial part of the claim and Mr B had had to obtain an expert

report to demonstrate that there were in fact issues which were for NHBC to deal with, then I might take a different view. But that wasn't the case here. Mr B chose to commission the reports. He didn't need to do so to 'force' NHBC to accept any part of his claim that they should have accepted at the outset.

I should also point out that the issue around the report which cost £650 has been dealt with by us previously as part of another investigation, so I can't re-open that issue here.

I also agree with our investigator that there's no real issue with NHBC merging the claims. That seems to me to be a very sensible step and may in fact help to bring things to a speedier conclusion.

I can see from documents we have on file that there has been a genuine attempt to consolidate the claims and de-duplicate the issues. And there's no evidence to suggest NHBC have – either intentionally or not – missed any part of the claims Mr B has made.

If Mr B later discovers an item from any of his claims that has effectively been dropped without being resolved, through this process of merging the claims, I'm sure NHBC will reinstate it and deal with it appropriately.

I'm satisfied NHBC have acted appropriately and fairly in dealing with the various compensation amounts. For the £150 and the £400, they asked Mr B to sign and return an acceptance form. He didn't, for whatever reason. They've re-sent the forms and will pay Mr B as soon as he returns them (if that hasn't happened already).

The £250 compensation was an award we proposed to make after looking at one of Mr B's previous complaints to us. A financial business is only obliged to pay such an award if the customer accepts our decision. Customers can choose not to accept, so leaving open the option of taking their own legal action against the business.

In this case, we don't have any record of Mr B accepting our proposed outcome. He says that as that investigation ended, he simply wanted to complain about the service we'd provided. Which he did. And he's entitled to do that. But he's not been able to provide any evidence that he accepted our decision on that case. And so, NHBC aren't obliged to pay him that £250 now.

I'm satisfied NHBC should now pay the cost of cleaning the window Mr B says was marked after the builder had carried out repairs at his home. Mr B has provided an invoice and NHBC should pay that cost given that it was very likely incurred because of the actions of the builder.

Mr B has also provided an invoice for repairs to his gutter. He's also made clear what and where the damage was. NHBC haven't given us any evidence or information to suggest that these repairs weren't connected to the original issues with the way the house was built. So, they should now pay those costs to Mr B.

Finally, I also agree with our investigator's view about the quotation costs. At present, it's not clear whether Mr B has – or will – incur any such costs. NHBC says it would be unusual for contractors to charge for providing a quotation. Mr B says he's been asked for a fee by at least two builders he's contacted.

I'm satisfied that if – and only if – Mr B *in fact* incurs any such charges and can appropriately evidence them for NHBC, then NHBC should cover those costs. Mr B has in effect been put in a position where a cash settlement is the only way to progress the claim. He hasn't insisted on a cash settlement. He shouldn't therefore have to pay for costs associated with

getting independent contractors to quote for the work.

Putting things right

In summary, in order to put things right for Mr B, NHBC must now pay Mr B the costs he incurred in having his windows cleaned and his gutter repaired (adding 8% simple interest onto those two amounts from the date Mr B paid out to the date NHBC pay Mr B).

They must pay Mr B the £150 and the £400 compensation amounts promised earlier, just as soon as Mr B returns the required acceptance forms. And pay Mr B a further £150 in compensation for the trouble and upset he's experienced between May 2019 and September 2021 (the dates I can consider as part of this decision).

NHBC must also pay any reasonable costs Mr B incurs in obtaining quotations for the work still to be carried out. And cash settle these claims as soon as they're able to validate the quotations Mr B is to provide, in line with the direction given in our previous final decision.

My final decision

For the reasons set out above, I uphold Mr B's complaint.

National House-Building Council must:

- pay Mr B the cost he incurred in having his windows cleaned;
- pay Mr B the cost he incurred in repairing his gutter;
- pay Mr B 8% simple interest on those two amounts from the date Mr B paid out to the date NHBC make the payment to Mr B;
- pay Mr B the £150 and the £400 compensation amounts promised earlier, as soon as Mr B returns the required acceptance forms;
- cash settle Mr B's claims as soon as they are able to validate the quotations to be provided by Mr B;
- pay any reasonable - and evidenced - costs Mr B incurs in obtaining quotations for the required repairs work;
- pay Mr B £150 in compensation for his trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 June 2022.

Neil Marshall
Ombudsman