

The complaint

Mr G is unhappy with the way National House-Building Council (NHBC) dealt with a claim he made under his new home warranty.

What happened

Mr G bought a new home. It was covered by a ten-year NHBC warranty which began in December 2015. He reported a number of problems to the builder of the home and to NHBC.

In August 2017 NHBC agreed to consider some of the problems under Section 2 of the warranty, which is its Resolution Service.

It issued a report in June 2018 which included item 7, labelled 'cold throughout the property'. NHBC took responsibility for carrying out or arranging for further investigations into this item when the external temperature was low enough.

NHBC agreed to take action relating to other items in that report – and other items in subsequent reports – but they're not the subject of this complaint, so I won't comment on them any further. I'll focus on item 7.

In 2022, Mr G made a complaint about the way NHBC had dealt with the problems he'd raised. That included NHBC not carrying out or arranging an investigation into item 7.

By early 2023, the builder had carried out a thermal survey. And Mr G provided further information about the problem. NHBC agreed more work was needed to the insulation.

NHBC accepted there had been an unreasonable delay in reaching this stage. It said the requirement for sufficiently cold temperatures and the impact of Covid-19 were partly responsible for the time it had taken, but it conceded it should have progressed things more promptly. It offered £1,750 compensation to recognise the impact of the delay.

Our investigator thought the compensation offered was a reasonable remedy to the delay NHBC had caused. She said the next steps were for NHBC to agree the appropriate insulation work with Mr G – but that wouldn't fall within the scope of this complaint.

Mr G asked for an Ombudsman to consider his complaint. He made a number of points, which I'll summarise:

- Initially the builder didn't agree to a thermal survey – they thought the cavity wall insulation should be increased in certain areas and a survey wasn't required to assist with that. This work was done, but Mr G wasn't satisfied with it.
- After he insisted a survey was required, this was eventually carried out. Not all of the issues identified by the survey have been put right by the builder – and the builder has become unresponsive.
- The thermal survey was carried out externally and focused on the cavity wall insulation, but other areas of the house also get very cold. An internal survey should be carried out to assess the other areas.

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.

When Mr G originally referred his complaint about item 7 to this Service, it was solely about the delay in having the survey carried out. So that's the complaint point within the scope of this complaint. That means I'm considering how NHBC dealt with this item from the time it became responsible for it in 2018, to the time the survey was carried out in January 2023.

In summary, the Resolution report said Mr G had raised concerns about cold throughout the property. NHBC said that would be investigated by taking temperature readings to identify whether there were any areas of heat loss. That would include investigating the areas near the rear patio doors, the kitchen plinth, and skirting boards.

NHBC committed to doing this investigation in 2018, so from that point it was responsible for either carrying it out or arranging for the builder to do so. It said it would need to wait until a time when external temperatures were suitably low. That was likely to be early 2019.

Around four years later, in January 2023, a thermal survey was carried out. Its focus was the cavity wall insulation. Mr G says this means the other areas NHBC agreed needed to be investigated haven't been surveyed. He's asked for it to carry out an internal thermal survey.

NHBC says the survey would have revealed problems in the other areas if there had been any. So it doesn't think any further investigation is needed.

I haven't seen any expert evidence or opinion to the contrary so, based on the information available to me, I'm satisfied that NHBC has fulfilled its responsibility to have the cold problem investigated. If Mr G disagrees and has any evidence to support that, he's entitled to share it with NHBC and I'd expect it to consider whether that changes its position.

NHBC has accepted there was an unreasonable delay. Whilst Covid-19 did have an impact in 2020 and 2021, I don't think this is relevant here. If the survey had been carried out in 2019 as it should have been, or even in early 2020, the limitations imposed by the pandemic wouldn't have made a difference.

Nonetheless, I'm satisfied that its offer of £1,750 compensation is reasonable in the circumstances and fairly takes into account the impact of the delay on Mr G. That includes the trouble he had to go to in order to persuade the builder to carry out the thermal survey – which he shouldn't have had to do.

I know Mr G has concerns about the recommendations NHBC has made for further work following the thermal survey. Those concerns are outside the scope of this complaint, so I won't comment on them, but he's entitled to raise them with NHBC. That includes any concerns about the insulation work carried out by the builder.

My final decision

I uphold this complaint.

I require National House-Building Council to pay £1,750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 September 2023.

James Neville
Ombudsman