

complaint

Mr and Mrs W have complained about National House-Building Council (NHBC). It provides the building warranty for their home. They think it's caused delays in handling their claim for damage, and this has caused some elements of damage to be declined by it (as being found beyond the policy expiry date).

background

Mr and Mrs W's property benefits from a 10-year warranty that began on 1 May 2007. In March 2017 Mr W called NHBC as he'd noted water ingress at his property. NHBC agreed to look into this and sent an inspector out to consider the damage. That inspection took place on 21 April 2017.

The inspector concluded damage was likely covered but felt an engineer was needed to properly determine the likely necessary repairs. NHBC issued an instruction for an engineer on 5 May 2017 and an engineer visited Mr and Mrs W's home on 24 May 2017. Following this a scope was arranged and costs discussed. In September 2017 some work started but other issues with the property were then found. Whilst these issues appeared to amount to damage caused by defects as covered by the policy NHBC said the problems had been identified outside of the policy period. Therefore, it declined to deal with them.

Mr and Mrs W were unhappy about this. They also said NHBC should replace some glazing units. NHBC said these units might be subject to damage in the future, but as they weren't damaged during the policy period, they weren't subject to the cover on the policy. So it wouldn't replace them. A dispute also arose over guttering. This was covered by the policy and NHBC had agreed to resolve the problem the guttering was causing as part of the claim. However, NHBC didn't agree with the recommendations various experts had made about how the problem should be resolved. The guttering was known to be an issue at the outset but a remedial scheme wasn't agreed for it until July 2018, a year later. Internal repairs couldn't be done until the guttering issue (which was causing water ingress) was resolved.

Mr and Mrs W were generally unhappy about how things were progressing. They complained to NHBC. NHBC issued a final response on the complaint on 22 June 2018. It said it couldn't look at issues that had arisen after the expiration of the policy, or that didn't equate to major damage caused by a defect, as required by the policy. It accepted there had been some delays but also commented that this was a complex claim that was always going to take time to resolve. It offered £500 compensation. Mr and Mrs W complained to us.

Our investigator noted that the claim had taken some time but that, particularly at the beginning of the claim the delays were unavoidable. Overall she felt NHBC's claims decisions and its offer of compensation for the accepted avoidable delays (of £500) was fair and reasonable. So she didn't uphold the complaint.

Mr and Mrs W said they were unhappy – that £500 was really an insult. They said the claim was still not resolved now, more than two years after it had been made. They said £500 wasn't a deterrent to NHBC. Mr and Mrs W said that NHBC had constantly employed delaying tactics throughout the claim and it was delays at the start of the claim that caused the new issues to be discovered after the policy expiration date. The complaint was passed for an ombudsman's review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, with regret for any upset this causes Mr and Mrs W, I'm not minded to change the outcome of their complaint.

delay prior to policy expiration on 30 April 2017

Mr W first told NHBC of the issues at his home on 17 March 2017 and it acknowledged his claim on 29 March 2017. It was then around a month before the first inspection took place. I'm not persuaded that NHBC could have avoided this delay or acted to get the inspector out sooner. But even if I were I'd still say a fortnight, from the point the claim was acknowledged, for an inspection to take place, would be reasonable.

NHBC needed time following the inspection to consider the request for an engineer and get agreement for an appointment to be made. It did that within a week to ten days. I think that was reasonable. If I apply that time period to the fortnight period I mentioned above that means that the instruction for an engineer to attend should have been sent by around 20 April 2017.

I think it's reasonable again to say that it might take a fortnight for an engineer's appointment to be arranged. Adding a fortnight on to 20 April 2017 means the earliest Mr and Mrs W could reasonably have hoped to have an engineer attend was early May 2017.

It isn't clear from NHBC's file if all of the "additional" issues NHBC has declined liability for due to policy expiring were found once work started in September 2017 or by the engineer during his first assessment of the property. Either way, given the timeline I've set out here, the issues couldn't reasonably have been discovered by NHBC before the policy expired. So I'm not persuaded that NHBC's actions at this time did prejudice Mr and Mrs W's chance of having these issues dealt with under the policy.

glass panes

NHBC declined this issue because no damage had occurred. I haven't seen any evidence of damage and it seems the suggested reason for repair/replacement is that damage might occur in the future. I'm satisfied that NHBC's decision in this respect is fair and reasonable.

delay following the scope of work being issued

The reports and scope identified issues with the guttering. That was June 2017. But an acceptable proposal regarding the guttering wasn't put forward until July 2018. I think NHBC did cause delays in this respect. Although this was a complex claim that needed a lot of consideration, I've seen no reason to suggest the delay of nearly a year in this respect was reasonable. And this did mean other agreed work couldn't progress because that other work would have been compromised by water ingress due to the outstanding guttering repair. I accept this would have been frustrating for Mr and Mrs W.

Having reviewed everything, I'm satisfied that the £500 previously offered by NHBC is fair and reasonable compensation for the upset its delays caused. I appreciated that Mr and Mrs W view the sum as insulting particularly as repairs remain outstanding. I'd emphasise though that I am only considering NHBC's activity and delay up to the final

response issued in June 2018. If NHBC has delayed since then that will need to be considered as a new complaint, by it in the first instance.

I'd also comment that this service doesn't seek to punish insurers or make them change the way they do business. We don't seek to make awards to protect others from harm in the future either. Our awards are to make up for the upset the insurer has caused in the circumstances of the complaint being considered. Here, I think NHBC has delayed the claim but I haven't found its delays prejudiced Mr and Mrs W's position. And whilst I'm satisfied the delays it did cause did hold up the claim its compensation offer is, in my view fair and reasonable in this respect. I'm not going to require NHBC to pay anything more. If NHBC hasn't paid this sum already and Mr and Mrs W want to benefit from it, they should contact NHBC.

my final decision

I don't uphold this complaint. I don't make any award against National House-Building Council.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 27 December 2019.

Fiona Robinson
ombudsman