

complaint

Mr L is unhappy that National House-Building Council has declined his claim for damage to his ceiling, paintwork and blinds under his buildmark warranty.

background

Mr L made a claim for water damage to his property. NHBC sent out a claims investigator to inspect and validate the claim. The investigator produced a report. Although the investigator accepted there was a defect he said the cost of repairs didn't meet the minimum claim value (MCV) and so the claim was declined. Mr L didn't accept this and brought his complaint to our service.

Our investigator upheld the complaint. He said the claim damage required very similar repairs as the damage suffered by Mr L's neighbour. But he couldn't understand why the quote for Mr L's work was lower. He said due to the issue affecting other properties at the same location it wouldn't be fair to decline Mr L's claim. He said it was also possible that cleaning wouldn't be enough and that repair or repainting might be required which would push up the cost. NHBC didn't accept this. It asked for Mr L's complaint to be passed to an ombudsman for a final decision.

In my recent provisional decision I said a lot of time and effort had been spent comparing Mr L's claim to his neighbour's claim. That's a tricky area as no two cases are exactly the same but NHBC has been clear with this service about why Mr L's claim is different. NHBC visited Mr L's property and was able to establish firm costs for the claim. It didn't do that in the other case – no inspection of the neighbour's property took place. So in relation to Mr L's claim the costs are specific to his property and NHBC said the claim was appropriately declined as the total amount was below the MCV.

NHBC accept that it might've made errors on other similar cases in the area but due to the claims inspection it said it got the amounts right in relation to Mr L's claim. Although I can understand this would be extremely frustrating for Mr L I think what NHBC said is reasonable. It's always more likely to get a better picture of a claim and its costs if it inspects the damage.

Our investigator carried out thorough checks in relation to the items listed for the claims and checked on labour costs, etc. I see that he updated Mr L about this during the case to ensure all issues were dealt with. NHBC confirmed that all amounts were included within the costings.

NHBC confirmed the amount it would cost to do the repairs was well below the MCV. It produced figures to show and confirm this based upon the investigation report. I said it showed NHBC acted reasonably when it chose to decline the claim based upon the requirements of the warranty wording. It's clear that the costs need to exceed the MCV for a claim to be dealt with.

Mr L was unhappy about the service he received too. NHBC said it realised Mr L would be disappointed with the claims decision. But it said it made sure he had a full and prompt response to his concerns. I said that's reasonable in the circumstances and I don't think NHBC acted unfairly.

In response to my provisional decision Mr L raised several issues. I'm not going to refer to all of the individual factors but his main points were:

- I hadn't fully investigated;
- I'd only considered NHBC's evidence;
- The figures from NHBC might've been well below the MCV but weren't costed correctly and ended up much nearer to the MCV. And when the work is done more work might be uncovered;
- Other local contractors can't do the work for NHBC costs;
- Mr L didn't think NHBC had been clear;
- I'd said NHBC had the figures correct but Mr L said they had to be increased.

NHBC made no further comment.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can assure Mr L that I have thoroughly investigated his complaint and considered all the evidence from both parties. Mr L does make a valid point – NHBC did get their costings wrong. Our investigator did a thorough job on checking through all of the items to ensure everything was considered and revised to complete all aspects of the claim costs. NHBC accepted that and put it right. So just for clarity I think NHBC should've got it right from the start, but it accepts that it didn't and it put the figures right.

Mr L said that more problems may be uncovered later. I'm sure Mr L will let NHBC know if that does become the case. I don't think anyone has suggested to Mr L from NHBC that local contractors would be charging the same rates for work that NHBC would. But the warranty only covers the cost to NHBC.

I do understand the points Mr L is making and I've considered them. But I've got to consider if by its actions NHBC treated Mr L unfairly. It inspected the damage, it worked through the costings and then it went over the costs again to correct them. Although Mr L mentioned other properties I still accept NHBC got a better understanding of the claim by inspecting the damage at his property. So I think NHBC has dealt with Mr L reasonably and I see no reason to change my provisional decision.

I accept this is disappointing for Mr L and he's discussed with our investigator the option of taking NHBC to court. If he doesn't accept my decision Mr L is perfectly entitled to do that.

my final decision

I don't uphold this complaint.

I make no award against National House-Building Council.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 July 2019.

John Quinlan
ombudsman