

complaint

Mrs O complains about the way National House-Building Council has dealt with a claim she made on her building warranty.

Mrs O is being represented in bringing this complaint. But for ease I've referred to all comments and actions as being those of Mrs O.

background

In 2013 Mrs O bought a property that came with an NHBC warranty. In 2014 she raised some issues with the property, and NHBC completed a resolution report. That report recommended the builders carry out repairs to plasterboards which hadn't been fitted correctly and wood doorframes which were damaged. The deadline given to repair the work was August 2014.

The developer didn't complete the work within the timeframe, so NHBC, under its warranty, stepped in and completed the repairs. Mrs O complained to NHBC as she wasn't happy with the quality of the repairs. NHBC came out in 2017 to assess the property and agreed the repairs hadn't been carried out to a good standard. It paid Mrs O around £3,300 for her to have the work carried out herself to resolve the issues.

Mrs O had also complained the NHBC contractors had caused other damage to her home when it carried out the previous repairs. NHBC didn't accept that it had, but it paid a further £500 as a gesture of goodwill. NHBC has also paid £1,000 compensation to Mrs O as part of a previous complaint.

Unhappy with NHBC's response, Mrs O brought her complaint to our service.

Our investigator outlined what our service can and can't consider. She said the resolution report which took place in the first two years of the policy isn't something that is covered by our service.

But she said we could look at repairs carried out by NHBC following the report. And we could also look at issues raised after the first two years since the property was built under a different section of the policy. Our investigator said section 3 of the policy covers defects to the property which have caused damage and a breach of NHBC's technical requirements. She didn't think there was enough evidence to show that the issues raised by Mrs O amounted to a breach of the relevant technical requirements. So she didn't think NHBC needed to do anything else under the policy to repair the issues raised by Mrs O.

Mrs O didn't agree. She said we hadn't considered the evidence she'd provided of multiple issues with the property. She also said the builders and NHBC have done a poor job and she should be protected from this.

As Mrs O didn't agree, the matter has come to me to decide.

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, I agree with the outcome reached by our investigator. I'll explain why below.

Mrs O has sent in a lot of photographs and information in relation to the state of her property. I want to reassure her at the outset that whilst I've looked at everything she's sent, I'll only comment on those things that I find central to the outcome I've reached.

Under Mrs O's warranty, different parts of the policy apply depending on when the claim is made. Some of the issues raised were done so by Mrs O in the first two years of the warranty. Some of them were raised after this, so are dealt with under a different part of the policy. I think it would be helpful if I separate the two and explain my findings for each section.

issues raised in the first two years

In 2014 Mrs O raised numerous issues with the property. With an NHBC warranty, any issue raised in the first two years is considered under section two. As part of that, NHBC carried out a resolution report and made two recommendations. This resolution report is to direct the builders to carry out any necessary repairs, but it is not a contract of insurance.

I appreciate Mrs O thinks some issues were missed by NHBC in this report. She's mentioned there were more issues with the property and the garden which were ignored by NHBC. I don't know whether that is the case. But even if I accept it was, this service has no power to investigate NHBC's actions at that stage because the resolution report doesn't fall under the scope of a regulated activity for the purpose of our service. I appreciate this is disappointing for Mrs O, but I can only make decisions on matters I have powers to do so. So I haven't looked at NHBC's handling of any issues relating to the garden or the other issues she says were reported.

For the same reason, I'm also unable to consider the items that NHBC declined to cover as part of the resolution report. Mrs O says her floorboards and stairs are creaking. The resolution report found that the creaking isn't excessive and isn't considered a breach of NHBC's technical requirements. I appreciate Mrs O strongly disagrees with this, but I have no power to investigate this further.

This service can look at issues after the resolution service if the report recommends the builder should do something and sets a deadline for this to be done. In Mrs O's case, the builder failed to carry out the works by the deadline, so NHBC stepped in to complete the repairs in January 2015. So this is something our service can consider as it's part of the insurance cover NHBC provides.

In 2017, after Mrs O complained about the repairs, NHBC agreed to attend Mrs O's property to go through a number of issues she'd raised. It found that the work to the plasterboard was done poorly. So it offered Mrs O £3,300 to have this resolved. Mrs O has said this isn't enough for her to have the repairs carried out. I haven't seen anything from Mrs O which persuades me NHBC's offer for this is too low. So I've no reason to doubt the schedule of works provided by NHBC. It lists the work to be done and I haven't seen anything which shows me this doesn't match what NHBC agreed to cover. So I don't think it needs to pay anymore in relation to these repairs.

I'm aware Mrs O also raised several issues with the initial repairs NHBC carried out, including paint splashes on furniture and minor scratches to other household items. It seems by the time NHBC went to the property, many of these items had been resolved (by Mrs O cleaning or replacing items) so NHBC couldn't assess them. But it did agree to offer £500 as a gesture of goodwill and in the circumstances I think that's fair. It had been a significant period of time since the repairs had taken place and given most of this damage couldn't be evidenced I don't think it needs to pay anymore in relation to that.

issues raised after the first two years

Any issues raised by Mrs O after the first two years (and up to 10 years) are covered by section 3 of NHBC's warranty. This provides cover for physical damage to the home that was caused by a defect.

Mrs O has said NHBC has carried out works to the joists, and there are still outstanding issues with them and how they've been fitted. In June 2016, NHBC says it did carry out some works to the joists in Mrs O's property. Following that, it had a report carried out. The report says that the joists met the necessary requirements at the time of design, and that no additional strutting was required on the joists. I appreciate Mrs O has said the work carried out by NHBC was poor, and there are still issues. But I haven't seen a report or anything else from Ms O that persuades me this is the case. So in the absence of this I find the report I have persuasive in that the joists haven't breached any technical requirements or were subject to poor repair by NHBC. So I don't think NHBC needs to do anything more in relation to this element.

In June 2017 NHBC agreed to consider two items under section three of the policy. They were gaps in the roof tiles which were allowing water to enter the loft space. And it noted an issue with some blockwork being loose in the loft.

NHBC agreed to cover the repairs to the roof, and I understand this was completed in summer 2017. But it didn't agree to carry out repairs to the loose blockwork. It said this was because the cost of repairing it wouldn't meet the minimum claim value of around £1,400 set under the policy. I've checked Mrs O's policy, and it seems to me that the correct limit was applied. So I think NHBC acted fairly in not providing a settlement for this amount.

It's worth noting that Mrs O is still within the 10 years of the NHBC policy, so she can raise any further concerns she has about any physical damage that may occur in her property. But based on the issues raised so far and the reports I've seen, I'm satisfied NHBC has assessed the concerns raised by Mrs O in line with the warranty terms. So at this stage I don't think NHBC needs to do any more.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 28 September 2019.

Michelle Henderson
ombudsman