

## complaint

Mr V complains that national House Building Council (NHBC) caused delay in carrying out repairs to his property. They offered him £200 compensation but he's unhappy with this amount as he says he became seriously ill last year as a result of the problems caused by NHBC.

## background

Mr V purchased a new property in October 2014. There were a number of issues with the property and as Mr V was unhappy with the builder's response he reported these issues to NHBC in February 2016. NHBC offered Mr V its Resolution Service. Under it, NHBC issued a Resolution Report in July 2016 which set out the remedial work to be completed by the builder. The work was done, but later than the date specified in the report.

Mr V complained to NHBC who acknowledged there'd been delays in resolving his complaint and the service he'd received from the builder and NHBC fell short of the level of service they strived to offer. Although NHBC said they didn't have a liability to make any payments of compensation for delays, they offered Mr V £200 as a goodwill gesture to apologise for any inconvenience caused.

Mr V was unhappy with the compensation offered and complained to this service.

Our investigator considered the case and said NHBC provides a resolution service within the first two years of purchasing a new build property. But, as this is voluntary service and isn't a regulated activity, it falls outside our jurisdiction.

Mr V didn't agree with our investigator's view and the matter was referred to me for a decision.

I gave my provisional decision in March 2018 and I said the regulated activities we can look at include the effecting and carrying of out contracts of insurance. So, we can consider complaints about an insurer's handling or settling of claims under a policy. And the Buildmark contract says that NHBC:

*"Will pay you the cost of any test, investigation or work that is required by a Resolution Report that you accept in full, which the Builder does not complete in a workmanlike manner and in accordance with NHBC Requirements within the time set in the Resolution Report. Alternatively, we may at our option arrange to get that test investigation or work done at our expense".*

So, I said we could only consider a complaint where cover is in place and in this case that only arises where NHBC has provided the Resolution Service, a report has been prepared which identifies there are defects or damage, and the work specified by NHBC to resolve them hasn't been completed by the builder.

So, I said if the builder didn't carry out any remedial work stipulated in the Resolution Report within the time specified, a claim could be made under the insurance cover NHBC provides. In this case NHBC's Resolution Report stated the remedial work on Mr V's property should be completed by 16 September 2016. As the remedial work wasn't completed by this date, I said this brought the insurance cover NHBC provides into operation. And as insurance

business is a regulated activity I said this service could consider Mr V's complaint against NHBC from 16 September 2016 onwards.

Both parties accepted my provisional decision so the case was considered again by our investigator. He initially said the work required on Mr V's property took over a year to complete, as he'd reported the problems in February 2016 and the work wasn't completed until March 2017. He felt this was a significant delay. He said the snagging issues shouldn't have taken over a year to resolve. He acknowledged Mr V had told us he'd been unwell in this period, but NHBC hadn't been made aware of this. But taking everything into account he recommended NHBC increase the compensation offered from £200 to £500.

Mr V accepted our investigator's view but NHBC didn't. They reminded our investigator that we could only look at the delay from 16 September 2016 onwards and they felt the £200 compensation offer was sufficient to cover this delay.

Our investigator considered the case again and felt the £200 NHBC had offered in compensation was reasonable for the period from 16 September 2016 to March 2017 when the works were completed.

Mr V didn't agree so the case has been referred to me for a decision.

### **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 need to consider whether the compensation NHBC have offered Mr V is sufficient to compensate him for the delay in completion of the repairs to his property. I appreciate Mr V contacted NHBC in February 2016, and from this date it was over a year until the work was completed. But I can only consider the delay from 16 September 2016, the date specified in the Resolution Report for completion of the work, to March 2017 when the work was finally completed.

Mr V has told us the delay in work being completed caused him significant stress and as a result he was unwell in 2016. Although Mr V's told us he never informed NHBC of his ill health, I can still take this into account. But, I'm only looking at the period from mid-September 2016 to March 2017, and while I sympathise and understand he found the ongoing problems with his property stressful, based on the evidence I've seen I do think the sum offered by NHBC is in line with the level of award we make.

On balance I think the sum of £200 offered by NHBC to Mr V is fair and reasonable compensation for the delay in completion of work on his property. So I won't be asking NHBC to do any more than pay this sum to Mr V if they haven't already done so.

### **final decision**

For the reasons set out above I don't uphold Mr V's complaint against National House Building Council.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 17 August 2018.

Patricia O'Leary  
**ombudsman**