

complaint

Mr T complains about delays and poor complaint handling by National House-Building Council ("NHBC").

background

Mr T bought a new build property which was sold with a 10 year NHBC Buildmark warranty. Mr T says that the roof of the property began to leak in 2004. And in September 2008, Mr T raised a claim with NHBC. Shortly after this a resolution report was produced instructing the builder to correct this issue. Unfortunately the builder didn't do this so NHBC took over the builder's liability for the issue in March 2009, under the terms of the warranty.

In 2009 and 2010 NHBC carried out works to repair the roof and the damage that had been caused by the ingress of water. And in November 2010 a certificate of repair was issued. Mr T reported further water stains to the ceiling shortly after but later confirmed the damage was old and caused by the previous issue.

In July 2012 Mr T contacted NHBC to say the leak had returned. Between 2012 and 2013 NHBC appeared to be investigating the issue. Several appointments and reports noted that further investigations would need to take place. And there were some issues around a layer of roof covering that had been installed by a third party, which NHBC said it wasn't responsible for – and which seemed to delay matters further. In 2013, a report was issued which stated that NHBC was not liable for the damage to the new roof covering or the damage that may have been caused to the roof membrane as the result of that installation.

The chain of events between 2013 and 2016 is unclear as NHBC has been unable to provide information as it involves third party information which it has no authority to release to this service without permission. But in January 2016, Mr T contacted NHBC and informed it that the answer it gave in 2013 was incorrect and the issue should have been addressed in 2013. Later in 2016, NHBC appears to have accepted this and a new claim was opened.

After this time further remedial works were undertaken and it seems they were completed in November 2017. During this time Mr T also raised concerns about his loss of earnings relating to the property due to the length of time the claim had been ongoing.

Our investigator thought the complaint should be upheld. In short, he said the claim hadn't been handled well. And it was clear there had been a three year delay so he thought the compensation should be increased from £400 to £1,400. NHBC agreed with our investigator. But Mr T didn't agree and thought the compensation should be increased significantly. So the complaint has been passed 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've reached the same outcome as our investigator and for the same reasons.

This service has considered the issues up to 2011 in a separate decision, so this decision only covers the issues Mr T had with NHBC after this time.

Mr T has confirmed that the claim has now been completed and he has been reimbursed for all his financial losses as a result of this claim. So the only issue left for me to decide is the amount of compensation that should be awarded for the distress and inconvenience caused to Mr T by this matter.

Our compensation awards aren't intended to punish businesses or prevent them from making the mistake again. Rather, our awards are intended to reflect the trouble and upset caused to a consumer as the result of an error made by a business – in this case NHBC.

It is clear there have been delays in the handling of this case and I can see from the correspondence that Mr T has had to spend a great deal of time dealing with this case. But I also have to consider that the issue itself was not the fault of NHBC as it didn't build the property. And once it stepped in to cover the builder's liabilities, it was entitled to appoint third parties to carry out relevant investigations and reports. And in this case, the issue was affected by the fact that this issue also involved another property.

But it is clear that NHBC changed its stance from the position it took in 2013. The reasons for this are unclear but it does seem clear that NHBC has accepted that its original position was incorrect, meaning that it caused a three-year delay to fixing the leak in Mr T's property. And during this period, I think Mr T must have experienced a great deal of distress at being told the leak wasn't covered by his NHBC policy.

I also think there were periods of time where very little seemed to happen and where appointments were repeatedly cancelled, which delayed matters even further. And I think NHBC could have done more to proactively manage this claim which would have prevented some of the delays Mr T experienced.

So taking everything into account I think NHBC should pay Mr T a total of £1,400 compensation for the distress and inconvenience it caused to him as a result of its handling of this claim.

I understand that Mr T also has concerns about NHBC's conduct more widely but we aren't able to address those at this service as we aren't the regulator and our role is to consider the individual circumstances of each complaint.

my final decision

My final decision is that I uphold this complaint. National House-Building Council should pay Mr T a total of £1,400 compensation, including the £400 it originally offered him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 30 July 2020.

Sara Falzon
ombudsman