

complaint

Ms F is unhappy with her building warranty provider National House-Building Council (NHBC). She says it caused delays and failed to communicate with her.

background

Ms F made a claim to NHBC in May 2017 in respect of her bathroom floor tiles. As she was still within the first two years of the policy NHBC assessed the problem and, having found that work needed doing, told the builder to fix it. NHBC said this work had to be done by 4 August. It was done on 3 August.

In September 2017 Ms F got back in touch with NHBC and said the work had failed. NHBC asked the builder to revisit and he said he was dealing with it but at the end of September Ms F asked NHBC to come back out. It did so in October. It issued a further report which said the builder had to do investigations and it set a deadline for this to be done by 10 November. This deadline wasn't met.

NHBC said it was giving the builder longer to sort things out. The builder carried out further investigations in December and reported back to NHBC. NHBC felt that one tile needed replacing. Ms F reported further damage and NHBC said it would attend on 11 January to assess the tiles further.

On 3 January 2018, in response to a complaint Ms F had made to it about this problem not getting resolved, NHBC issued its final response letter. It accepted that it should have consulted with Ms F in November before extending the builder's deadline. It said it would pay £100 compensation. Ms F complained to us.

Our investigator explained that he could only look at what had happened from the point the November deadline passed without the recommended investigation work having been done. And up until the final response letter of 3 January 2018. For the distress and inconvenience that he was satisfied NHBC had caused during that time he felt it should pay an additional £100 compensation. He also said it should take over completion of the work.

NHBC said it would pay the £100 compensation and take over the works but pointed out that the results of its investigation on 11 January 2018 showed that just one tile needed resolving. It said it was aware that there had been delays since its final response issued on 3 January 2018 and said it would like a chance to look into those for Ms F if she wished it to do so.

Ms F asked what timescale NHBC would have to keep to and our investigator advised we'd expect it to do work with a reasonable time. Ms F said this was meaningless and effectively meant nothing had been achieved. She said as her claim was still ongoing, and had been by now for over a year, she should get £500 - £1,000 compensation.

my findings

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

Not all complaints, or all parts of all complaint, that are brought to this service are ones we can look at. When we receive a complaint we always check whether it, and all of the points

raised within it, is within our jurisdiction. We do this by considering the rules laid down in the Financial Conduct Authority Handbook.

The rules say that we can only consider matters that relate to an act or omission by a firm in carrying on regulated activities. The rules go on to say that, for an insurer those activities are effecting or (more usually) carrying out contracts of insurance.

NHBC isn't an insurer in the conventional sense. Part of its remit is to provide insurance covering (amongst other things) major defects for years three to ten after a property has been completed. It also carries out a number of other (non-insurance, non-regulated) activities including setting standards for UK house builders, ensuring that new homes are built to certain standards and – most relevant to this complaint - providing a dispute resolution service in the first two years of the warranty.

The dispute resolution service is intended to help the builder and the homeowner resolve any differences they may have in that period. The primary responsibility for putting right defects during this time lies with the builder.

This service doesn't consider NHBC to be carrying out a regulated activity until:

- A resolution report has been issued, and
- The builder has failed to complete the work in the resolution report by the deadline set.

Here, I'm aware that the builder had tried to do the recommended work prior to 10 November but that Ms F had refused. For me though, that refusal was reasonable because the builder was suggesting that a hole would be left in the floor until investigations were complete. I'm satisfied then that the builder failed to carry out recommended work within the deadline set by NHBC. For Ms F this means that NHBC was carrying out a regulated activity from 10 November 2017 onwards and I can't look at anything that happened before this time.

And whilst I know the matter is still unresolved, I can't take that into account either. Ms F complained to NHBC, it considered her points, and issued its final response. Ms F then came to us because she wasn't happy with its answer. That means NHBC hasn't looked into anything that has happened since it issued that final response, so I can't go beyond that point or make any findings about what has happened and what Ms F has been through since. NHBC is aware though that Ms F is still unhappy and if she wants it to look into what has happened since 3 January 2018 she should get in touch with it.

Whilst the deadline did pass on 10 November, that wouldn't mean NHBC had to stop using the builder to complete work. If the builder is still willing to cooperate it often makes more sense to keep them involved as they are aware of the nature of the problem. But it does mean that NHBC is then in charge and responsible for what goes on.

Even though NHBC was aware of the builder's suggestion about leaving a hole in the floor at the point the deadline passed, it wasn't until 29 November that it gave a full and proper response to Ms F on her concerns about what was to happen. This response explained that the builder had been asked to fit a temporary tile. NHBC should have done this sooner.

I can also see that NHBC often took a couple of days to reply to Ms F. And the explanatory email referred to above was sent a week after Ms F had last contacted it. A few days and a week aren't that long in business terms but this was a matter that had been going on for some time and Ms F was clearly frustrated about a lack of progress.

A visit did occur on 7 December 2018 and the builder passed the results of his investigation to NHBC within a few days. Just over a week later NHBC instructed the builder to arrange to carry out work. I think that was reasonable. However, NHBC didn't keep Ms F informed of what was going on at this stage and I think it should have done.

At this point though no timeframe was set for the work to be done. The builder told NHBC he needed a few days before he could give an idea of timescales. I appreciate that the time of year probably complicated things a little but I can understand that Ms F was frustrated to not be given any certainty.

On Christmas Eve Ms F told NHBC there was further damage. It didn't take action in respect of this email until 2 January 2018. This was far from ideal. However, given the holiday season some delay in getting a response was likely to be expected. But there was still no confirmation by this point from the builder as to when work was going to be done. And no sign that NHBC chased him on this either (he said he'd get back to it with regard to likely dates by 22 December 2017). Nor did NHBC contact Ms F to keep her up to date.

As well as sending a letter on 3 January 2018 setting out its final response. NHBC emailed Ms F. The email acknowledged her contact from 24 December and advised that NHBC would attend her home in 11 January.

Having looked at what's gone on I can see that Ms F has been very frustrated by this matter. It shouldn't have remained on-going in the way it did through November and December. NHBC, in my view, should have progressed things more efficiently and kept in better touch with Ms F. I'm satisfied that a total of £200 compensation (which includes the £100 NHBC has already offered) is fairly and reasonably due.

NHBC will now need to complete work at the property to resolve the claim. I can't issue a timescale for this but I do know that NHBC thinks it's something that, as long as there are no intervening unforeseen events, could be sorted within a couple of weeks. I'm also aware that it wants to try and ensure that there are no further unreasonable delays.

my final decision

I uphold this complaint. I require National House-Building Council to pay Mrs F a total of £200 compensation. If £100 has already been paid then only a further £100 will now need to be paid. I also require it to carry out the work necessary at Ms F's home to resolve her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 13 October 2018.

Fiona Robinson,
ombudsman