

complaint

Mr B complains, on behalf of a property management company I will refer to as L, about how National House-Building Council ("NHBC") has handled its claim.

Mr B made the complaint on behalf of L but has been represented throughout by a third party. For ease of reading, any references to actions of Mr B include those of the representative.

Background

L owns the freehold for a block of flats. In 2014 Mr B made a claim on behalf of L under its Buildmark policy with NHBC. This was following problems with the roof and cladding on the building. NHBC accepted the claim under section three of the policy, as it said the builders hadn't met NHBC building requirements.

An initial scope of works was put together in November 2015. However the claim took some time to progress and Mr B on behalf of L brought a complaint to this service. This was addressed by one of our investigators in February 2017. Our investigator recommended a site meeting was arranged – this took place in March that year.

After this point NHBC arranged a further site visit in 2017. However by the start of 2018 little progress had been made. Mr B made a complaint to NHBC.

NHBC responded to apologise that the claim hadn't progressed at the pace it should have. However it said as the commercial unit on the ground floor of the building wasn't covered by the policy, it would need to cash settle the claim for the cladding. It said it had enough information to offer a cash settlement for the roof repairs. However it hadn't been able to view all the areas of the building that had been affected by water ingress due to the defective cladding. This meant it wouldn't be able to account for all necessary repairs to the cladding in order to ensure it meets NHBC building requirements. It said a meeting with one of its major claims quantity surveyors and Mr B's appointed surveyor would be necessary. Further it offered to pay for Mr B's surveyor's time in attending this meeting.

Finally NHBC said it would consider any individual claims for compensation from residents but offered L £250 as a gesture of good will for the delays in the claim.

Mr B didn't agree that a further meeting was necessary. He said he thought NHBC were only asking for this as it was trying to reduce its liability and cur down the repair costs. He brought his complaint to this service.

Our investigator considered all the issues and didn't recommend the complaint was upheld. He said it was reasonable for NHBC to request an additional site visit in order to ensure the scope of works covered all repairs required.

Mr B didn't agree with this. He said a scope of works had already been agreed so he didn't think a further meeting would be necessary. He asked for the complaint to be reviewed by an ombudsman.

my findings

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

As our service addressed a previous complaint in February 2017 about this claim, I have only considered progress of the claim from this point until NHBC issued its final response in May 2018.

Having looked at the claim during this time, I would have expected there to have been more progress. Since the site meeting in March 2017 there has been one further site meeting. I can see that the claim for the roof was settled in this time. However no progress at all seems to have been made on the claim for the cladding throughout that year. So I can understand Mr B's concerns.

I have looked at emails provided by NHBC between it, its contractors and Mr B. I can see that there were a number of times when emails went unanswered and NHBC's contractors didn't provide information promptly. So I agree that NHBC could have progressed the claim more quickly and has caused avoidable delays.

NHBC has offered £250 as a good will gesture. Further it has said it will address individual compensation claims from residents on a case by case basis. I think this is fair. As the claim, and therefore the complaint, has been made by a limited company – L – I am unable to award compensation to the company. However should any individual residents feel they have been inconvenienced it will be for them to raise a complaint directly with NHBC. Should any resident be unhappy with a subsequent offer, then they would be able to bring that complaint to this service individually for assessment. So I think NHBC has acted fairly by offering this approach.

At this stage I understand NHBC and Mr B both want the claim to progress to a resolution. I understand Mr B doesn't think it should be necessary for NHBC to attend another site visit. He has explained that he thinks it's trying to reduce its liability by producing a reduced scope of works. Although I appreciate Mr B's concerns, I've not seen any evidence to persuade me that this is what NHBC is trying to do.

NHBC has explained that as it is cash settling the claim, it will need to produce a full scope of works that will bring the building in line with its building regulations. Otherwise there could be a chance of further problems in the future. I think this is reasonable.

Mr B has said that a scope of works has been previously agreed so there shouldn't be a need to attend again. NHBC has explained that the original scope will have changed due to the developing nature of water ingress.

The scope of works that was originally put together was compiled in 2015 and reviewed in 2017. NHBC hasn't attended the property since then, as it hasn't been able to get agreement from Mr B for it to attend. It has now been nearly three years since the last visit, so I agree that in order for the claim to progress it is reasonable for NHBC to require a meeting with its

contractor and Mr B's appointed surveyor in order to assess the current situation. I therefore think it is fair and reasonable for NHBC to require this before settling the claim.

I therefore think NHBC has acted fairly and reasonably by requesting an additional site visit in order to ensure an accurate scope of works. I would recommend that Mr B, on behalf of L, allows this to go ahead in order to resolve the claim. I therefore won't ask NHBC to do anything differently or in addition.

my final decision

For the reasons I've given, I won't require National House-Building Council to do anything differently or in addition.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B on behalf of L to accept or reject my decision before 23 May 2020.

Sophie Goodyear
ombudsman