

The complaint

Mr H and Ms B complain about the way National House-Building Council (NHBC) handled a claim they made under their new home warranty.

Mr H has primarily dealt with things so, for simplicity, I'll refer to him only.

What happened

The circumstances aren't in dispute, so I'll summarise the background:

- Mr H bought a new home covered by a ten-year NHBC warranty.
- He got in touch with NHBC in 2017 about cracking in the render. NHBC considered the claim under Section 2 of the warranty and carried out its Resolution Service. It told the builder to carry out repairs. They did so, but that didn't resolve the problem, and Mr H returned to NHBC in 2019.
- NHBC agreed further work should be carried out to resolve the cracking and took responsibility for doing so. It accepted it had caused delays and paid compensation.
- Work went ahead in 2023. Mr H complained about the scope and quality of the internal and external work. NHBC conceded some of the repair wasn't of an acceptable standard. It agreed to schedule and carry out further work and offered further compensation.
- In December 2023, I considered Mr H's complaints from 2023 and found NHBC's offer to put things right was a fair and reasonable one in the circumstances.
- Shortly after, Mr H raised a new complaint as he hadn't heard from NHBC about the next steps for resolving the damage, particularly the new schedule of work.
- NHBC accepted there had been a further delay and offered £150 compensation. It also said a contractor had been identified to carry out the work and a meeting would be scheduled for them to agree the most appropriate repair scheme, following which the work could be organised. It later increased its offer to £250. Our investigator thought that was reasonable, given the relatively short period of delay in question.
- Mr H said NHBC still hadn't progressed things – despite him making complaints and having them upheld by this Service. So he was disappointed and frustrated that his home still wasn't fully repaired after so many years.

What I've decided – and why

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

- There's no question the claim has gone on for many years – and that's too long.

NHBC has accepted this and paid a considerable amount of compensation, in response to a number of complaints, to recognise the shortcomings in its service.

- As Mr H is aware, it's not open to me to re-consider previous complaints. In this decision, I can only consider his most recent complaint. But, when doing so, I can bear in mind the impact on him of any delay is likely to be greater as a result of the length of the claim and what's happened during that time.
- The final decision for Mr H's previous complaint was made in early December 2023, and his current complaint was made a matter of days later. But I think the scope of this complaint is longer than a few days.
- In August 2023, NHBC accepted its repairs weren't up to an acceptable standard and agreed to carry out further work internally and externally. So I think the scope of this complaint is from that time up to the January 2024 final response.
- At that time, NHBC said it was making enquiries with suitable contractors and considering appropriate repair options. By December 2023, it said it had found a contractor and set out a broad method of repair for the render. It also said it had fund a contractor to complete the internal repairs. But there weren't schedules of repair for any of the work.
- After Mr H complained, NHBC said it would arrange a meeting with the new render contractor to agree upon a repair scheme and complete the schedules of work.
- I think it would reasonably have taken NHBC some time to find a suitable render contractor and discuss repair methods with them. And it couldn't reasonably have finalised a schedule of work until it had done that, and a meeting between the parties had taken place. So I think some of the delay was unavoidable. But NHBC accepts it was slow to progress things, and that led to avoidable delays. And given the claim history, I think NHBC should have communicated more proactively with Mr H, so he could have been clear what progress had been made and what the next steps were.
- An avoidable delay and a lack of communication is likely to cause distress and inconvenience to any policyholder awaiting repair to their damaged home. But particularly so in Mr H's case, as he's been waiting many years for the work to be completed properly and has already suffered the frustration and disappointment of failed repairs, as well as a lot of wasted time dealing with the matter.
- So whilst the period of delay within the scope of this complaint is relatively short, there would have been a sizeable impact on Mr H during that time. In these circumstances, I'm satisfied NHBC's offer of £250 compensation is reasonable.
- The next steps are for NHBC to arrange the meeting, finalise the render repair scheme, and complete and share with Mr H a schedule of work.
- When it takes these steps, I urge NHBC to keep in mind that at the heart of this complaint, and many which have come before, is a policyholder who is simply seeking the proper repair of damage that began in 2017 and which NHBC has been responsible for since 2019 – a significant amount of time ago. That's a perfectly reasonable expectation, but one NHBC has so far failed to fulfil. As a result, I would expect NHBC to ensure it gives Mr H no further cause for complaint and it resolves his claim promptly, fairly, and in a lasting and effective manner.

My final decision

I uphold this complaint.

I require National House-Building Council to pay £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr H to accept or reject my decision before 9 April 2024.

James Neville
Ombudsman