

New Homes Ombudsman Case Study: **Misleading information and inadequate temporary housing**



Issue

The customer complained to the New Homes Ombudsman Service (NHOS) that the developer lied to them about the progress of the build and moved them into unsuitable temporary accommodation.

Relevant sections of the New Homes Quality Code

Part 2

Legal documents, information, inspection and completion

Part 3

After-sales, complaints and the NHOS

Circumstances

- In late 2022, the customer reserved a property with an expected completion in June/July 2023. They were living in rented accommodation at the time with a lease ending late August 2023, allowing some time for delay.
- However, there were a number of delays which led to them needing temporary housing until November 2023. The developer arranged for them to move into a property they had acquired through a part-exchange agreement, but they faced issues with cleanliness, the boiler, and the oven.
- The customer also raised concerns about incorrect information posted about the build's progress, causing additional stress, particularly as they had a young family including a child with a disability.
- The developer acknowledged the delays and misinformation, but believed they were reasonable in providing temporary accommodation with expenses covered, a partial refund for an optional extra, and a goodwill payment of £500.

Ombudsman decision

The Ombudsman acknowledged the efforts made by the developer to accommodate the customer's family while the build continued, including the payments already made.

However, the Ombudsman decided to uphold the customer's complaint due to the:

- poor communication around the delays
- number of changes to the completion date (overall, a delay of 3 months on an estimated completion time of 6-7 months)
- incorrect information posted on the developer's portal about the build progress
- distress caused by the above circumstances taking in to account the family's situation.

The developer was asked to make a further payment of £735 to the customer, bringing the overall compensation to £1500 (including the partial refund for a paid extra and a goodwill payment of £500).



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Outcome

The complaint was **upheld**.

Learnings



- Providing incorrect or unrealistic information about the progress of the build causes confusion and frustration for customers. In this case, the developer posted incorrect updates on their portal, which not only misled the customer but also caused unnecessary stress and uncertainty.
- Delays are not uncommon and sometimes temporary accommodation is provided. However, the developer's decision to move the customer into temporary accommodation without checking whether the property was in a suitable condition proved to be problematic.
- The impact of delays can vary with each customer. While it's straightforward to assume the level of inconvenience or stress caused by delays would be similar for everyone, specific circumstances may require a more personalised support package.

Recommendations for developers

The Code requires developers to keep customers informed throughout the build process. Develop a process that regularly updates on build timelines, including progress made and any setbacks.

Temporary accommodation can be expensive and disruptive. If it becomes necessary, make sure the accommodation and all amenities are clean and fit for purpose.

If temporary accommodation is needed, engage with customers to better understand their specific circumstances and to make sure the arrangement meets their needs.

