

New Homes Ombudsman Case Study: **Missing terms and conditions, snags and flooding**



Issue

The customer reported issues with the part-exchange process, claiming the developer delayed marketing their old home and failed to provide the scheme's terms. After moving in, they found the property poorly built and commissioned a snagging report, repeatedly contacting the developer to address defects. The garden also flooded due to poor drainage from nearby land and a shared driveway. Some repairs were made, but the problem persists.



Relevant sections of the New Homes Quality Code

Part 1

Selling a New Home

Part 3

After-sales, complaints and the NHOS



Circumstances

- **Part exchange issues:** The customer claims they were not given the scheme's full terms and conditions, affecting their eligibility for a payment. Although the developer later paid over £5,000, the customer says delays in marketing their old home reduced the chance of receiving the full amount.
- **Snagging problems:** A snagging report identified 59 defects, with around 130 issues reported in total. Some took over 30 days to fix, and repairs were often poorly coordinated, requiring over 50 post-completion visits and causing stress and frustration.
- **Flooding in the garden:** The garden flooded soon after move-in due to poor drainage and a sloping driveway. The customer spent £5,800 on landscaping and drainage, but the problem persisted. Developer works were delayed and, according to the customer, poorly executed.
- **Conduct of contractors:** The customer reported contractors obstructing access, leaving debris, and damaging parts of the home during repairs. This added to their stress and damaged their trust in the developer.
- **Complaint handling:** The customer complained in March 2024. The developer issued a resolution plan and final response in June, but the customer, calling the issues "never-ending," listed the home for sale.

Ombudsman's decision

Part Exchange: The developer could not prove the customer received the scheme's terms and conditions, and referencing its website was insufficient. Admitting a sales error, the developer plans to update internal processes. The Ombudsman found a breach of the Code due to unclear and non-transparent sales terms.

Snagging: The Ombudsman acknowledged delays and inconvenience caused by the number and nature of snagging issues reported between November 2023 and 2024. While 80% of snags were resolved within 30 days, the volume and pace of resolution caused understandable stress. The customer was awarded £650 in compensation, including the cost of commissioning an independent report.

Flooding: The Ombudsman found that the developer was slow to act on known drainage issues. Temporary solutions were delayed, and the customer had to carry out their own drainage work. Compensation of £3,500 was awarded to reflect the customer's stress, inconvenience, and costs.

Conduct of Contractors: While the customer raised concerns about contractor behaviour and parking, the Ombudsman found that the developer responded appropriately, and no further action was required.

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Outcome

Complaint **partially upheld**. Customer to be awarded £4,150 compensation.



Learnings

- Developers must proactively provide all key documents, including part exchange terms, at the point of reservation – relying on website access is not sufficient.
- Prompt action and clear communication are essential when addressing post-completion issues like snagging to avoid stress and delays.

Recommendations for developers

Add a mandatory checklist item confirming the customer has received and understood part exchange terms at the reservation stage.

Seek specialist advice early when complex issues such as drainage arise, to prevent prolonged disruption and avoidable compensation.

