

SPSO decision report

Case: 201104351, Orkney Housing Association Ltd
Sector: housing associations
Subject: shared ownership
Outcome: upheld, action taken by body to remedy, no recommendations

Summary

Mr C bought a share in a property from the association. Shortly after moving in, he found that a new conservatory built by the previous sharing owner was poorly constructed and needed work costing more than £1,500. Mr C complained that the association had failed to enforce the terms of the previous sharing owner's exclusive occupancy agreement and shared ownership handbook by failing to properly inspect the conservatory and put the work right before the sale.

The association admitted that they had taken photographs of the poor workmanship before the sale and had intended to inspect it. However, the inspector did not do so until after the sale took place, by which time the association had decided not to take action, on the basis that the property had changed hands and the previous owner had given the association building and electrical certificates.

The association admitted that it had failed to follow its policy by not inspecting the work and that officers should not have accepted the work based on electrical and building certificates, as these did not guarantee the quality of the work. The association recognised this when dealing with Mr C's complaint, and had apologised for their failings. However, they did not reimburse any of Mr C's expenses on the basis that he had signed an exclusive occupation agreement in which he agreed that the property was in a reasonable state of repair and that he would take full responsibility for its repair and maintenance. The association also said that Mr C had purchased his share in the property based on a market valuation that should have reflected any deficiencies in the property in the sale price.

We upheld Mr C's complaint because of the way in which the association had dealt with the previous owner's conservatory. Our investigation found that they had failed to follow their policy on property inspections, and failed to reach a reasoned, informed decision about whether they would arrange for those works to be remedied. However, because Mr C had purchased the property at a price set by an independent valuer, and had agreed to repair and maintain it, we did not consider that we could reasonably link Mr C's injustice to a direct financial loss. We noted that the association had apologised to Mr C and had made a number of substantial procedural changes to prevent such a problem occurring in the future. We, therefore, did not make any recommendations.