

## Earthquake Commission's assessment of emergency repairs on red zone property not unreasonable

<b>Legislation</b>	Ombudsmen Act 1975, Earthquake Commission Act 1993
<b>Agency</b>	Earthquake Commission
<b>Ombudsman</b>	Chief Ombudsman Dame Beverley Wakem
<b>Case number(s)</b>	366986
<b>Date</b>	April 2015

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*Whether Earthquake Commission (EQC) reasonably addressed concerns about emergency repair work on property affected by earthquake damage—Chief Ombudsman concluded EQC's handling of this claim had not been unreasonable*

The complainant sought compensation from EQC for a claim which EQC had allegedly failed to process correctly. They complained that EQC had overcharged him for emergency repairs, and that the work done indicated deficient workmanship as evidenced in photographs supplied. The complainant also claimed that at no time did Fletchers EQR obtain his sign-off for the costs involved, which the complainant described as mandatory business practice for this type of work.

The Chief Ombudsman noted that the complainant had not signed off the costs, but had been involved in the inspection meeting which scoped the damage requiring emergency repairs. Furthermore, at the time the repairs were undertaken it was anticipated that once they were completed the complainant would return to live in his house, with the bill for the emergency repairs and the cost of further repairs or rebuilding work being picked up by EQC and his insurers. This did not happen because of the red-zoning of this property.

In terms of the quality of the workmanship, it seemed to the Chief Ombudsman that the repair work needed to be viewed in the context in which it was undertaken, that is, they were emergency repairs limited to making the house habitable, safe and weatherproof. As a result of the most recent inspections of the house, EQC has accepted that some of that work was not properly completed. EQC estimated the cost of this work and allowed for this in the settlement payment offered in resolution of the complainant's complaint.

Given the extent of the action taken to date by EQC, including the recent inspection of the inside of the house by a Senior Estimator and Investigator from its Claim Review Team, and the on-site meeting, the Chief Ombudsman considered that EQC had taken all reasonable steps to ensure that the repair costs were not excessive. In addition, EQC had provided the complainant with a detailed response to the 14 'points to consider' which the complainant submitted with his complaint to the Chief Ombudsman.

The Chief Ombudsman concluded that EQC had dealt with the complainant's concerns in good faith and that this was reflected in its willingness to revisit the property following the complainant's advice that CERA had allowed the complainant to enter the house, and the present settlement offer. It was acknowledged that the offer fell well short of the amount that the complainant was seeking, but this did not negate the steps that EQC took to address concerns about the emergency repair costs as charged by the contractor and approved by EQC. The Chief Ombudsman considered that EQC had taken reasonable steps to ensure that the repairs completed and the works costs involved were not excessive and that its decision to authorise such repairs as required to make the property 'habitable, safe and weatherproof' was not unreasonable.

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