



2024 ANNUAL REPORT

NEW HOME OMBUDS



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MESSAGE FROM THE OMBUDSPERSON

As I reflect on my first full year as the Ombudsperson, I am honoured by the trust that hundreds of new homeowners across the province have placed in my office by seeking the assistance of the New Home Ombuds. My team and I understand that purchasing a new home is one of the most significant decisions in a person's life.

All new homes built in Ontario come with a statutory warranty provided by the builder. Tarion's role is to ensure that buyers of newly built homes receive the coverage they are entitled to under their builder's warranty. The New Home Ombuds office is an independent and confidential office within Tarion. Our role is to provide support in various ways—whether by clarifying Tarion's processes and procedures, working with the homeowner and Tarion to resolve issues, or investigating complaints about Tarion's conduct. We approach our responsibilities with a steadfast commitment to the principles of customer service, fairness and transparency. We are here to help.

The vast majority of homeowners won't need to seek the assistance of the Ombuds office. Defects will either be resolved or settled with Tarion's assistance. Sometimes a homeowner needs guidance on navigating the new home warranty system or on how to escalate their issue within Tarion. In 2024, over 85% of the complaints and inquiries we received were closed without any need for the Ombuds office to contact Tarion.

One of the key areas we have emphasized this year is the importance of early resolution. By triaging complaints effectively and facilitating communication with Tarion, we can often find faster ways to address homeowners' concerns. This year, we successfully resolved 27 complaints through early resolution. The earlier our office is contacted, the better the chances for a positive outcome. Early dispute resolution not only resolves concerns more swiftly but also fosters trust in the process.

Throughout my first year in this role, it became evident to me that like many organizations, Tarion sometimes faces challenges in consistently meeting the expectations of the homeowners who look to it for assistance. However, I am encouraged by Tarion's willingness to address complaints constructively. Examples of the resolutions we achieved by working with the homeowner and Tarion are illustrated in the case stories in this annual report.

In 2024, our office received four complaints about the outcome of our review of a complaint. In each instance, we engaged directly with the complainants to discuss their concerns and took steps to address the issues raised, where appropriate. We welcome feedback from the homeowners we serve, and I invite complainants to contact me directly with any concerns they may have.

Looking ahead, I remain committed to fostering a culture of fairness, accessibility and accountability. I would like to extend my sincere gratitude to the New Home Ombuds team, whose dedication to fairness is evident in their willingness to listen to approach each issue with empathy and impartiality. I strongly encourage homeowners to reach out to our office if they have concerns about Tarion so that we can continue to build a better path forward.

Tom Barber (he/him/his)
Ombudsperson
tbarber@newhomeombuds.ca

ABOUT THE OFFICE

The mandate of the New Home Ombuds is to:

INVESTIGATE
AND RESOLVE
COMPLAINTS
from homeowners
about Tarion's
conduct;

ACT AS A SOURCE
OF INFORMATION
to help
homeowners in
getting assistance
from Tarion; and

IDENTIFY ISSUES AND MAKE
RECOMMENDATIONS for improvements.



CORE OPERATING PRINCIPLES

The New Home Ombuds office has four core operating principles that guide how we operate day-to-day.

INDEPENDENCE

The Ombuds office operates independently of Tarion's management and employees. We have our own office and maintain our own website. The Ombudsperson reports directly to Tarion's Board of Directors and has an administrative reporting relationship with the Board's Stakeholder Committee, where, periodically, we present our reports to that Committee. In the event we identify systemic shortcomings, we make recommendations for improvements and monitor their implementation. We play a key role in the organization's overall commitment to consumer protection with due accountability, transparency and fairness.

IMPARTIALITY

We do not take sides in a complaint. We objectively assess the information we receive in order to identify and address fairness concerns.

CONFIDENTIALITY

The information we receive is protected. We maintain records separate from Tarion and we do not disclose information to Tarion unless given consent to do so.

TIMELINESS OF SERVICE

Complaints to the Ombuds are acknowledged within one business day. Our goal is to complete fairness reviews within 20 days.



WHAT IS FAIRNESS

Our office works to ensure that Tarion treats homeowners fairly. We do this by both promoting and protecting fairness. To determine fairness, our office views Tarion's actions through the lens of Procedural, Relational and Substantive Fairness.



When reviewing Tarion's actions, we ask questions such as:

PROCEDURAL FAIRNESS

1. How was the matter decided?

- a. Did the homeowner have enough information to understand the process and to advocate for themselves?
- b. Did Tarion provide reasons for the decision it reached?
- c. Was the decision reached in a reasonable amount of time?

RELATIONAL FAIRNESS

2. How was the homeowner treated?

- a. Did Tarion listen to the homeowner's concerns and address them?
- b. Did Tarion treat the homeowner with respect and courtesy?
- c. Did Tarion follow through on actions it promised?

SUBSTANTIVE FAIRNESS

3. What was decided?

- a. Did Tarion have the authority to make the decision?
- b. Was the decision based on complete and relevant information?
- c. Was the decision wrong in fact or policy?



If Tarion has missed even one of these three aspects, the homeowner has not been treated fairly, and a remedy may be needed.

WHY DOES FAIRNESS MATTER?

By applying the principles of fairness to how it treats homeowners and how it makes decisions, Tarion strengthens consumer confidence in its service and process. The New Home Ombuds office protects and promotes fairness at Tarion, thereby helping Tarion better serve homeowners and enhancing public confidence in Ontario's new home warranty system.

PROTECTING FAIRNESS

Protecting fairness is about looking at what has happened. Our office does this by reviewing Tarion's past actions, determining whether they were fair and recommending remedy for any unfairness we find. We do this by:

- Reviewing complaints from homeowners: If we find fairness issues, we recommend a remedy for the individual case. For information on this process, please see the next page.
- Reviewing systemic issues we discover in the course of our work: When we become aware of a potential systemic fairness issue, we will review it to determine whether Tarion's processes need to change. If we find that there are fairness issues, we will recommend remedies that will address the systemic issue and result in a fair outcome for all homeowners.

PROMOTING FAIRNESS

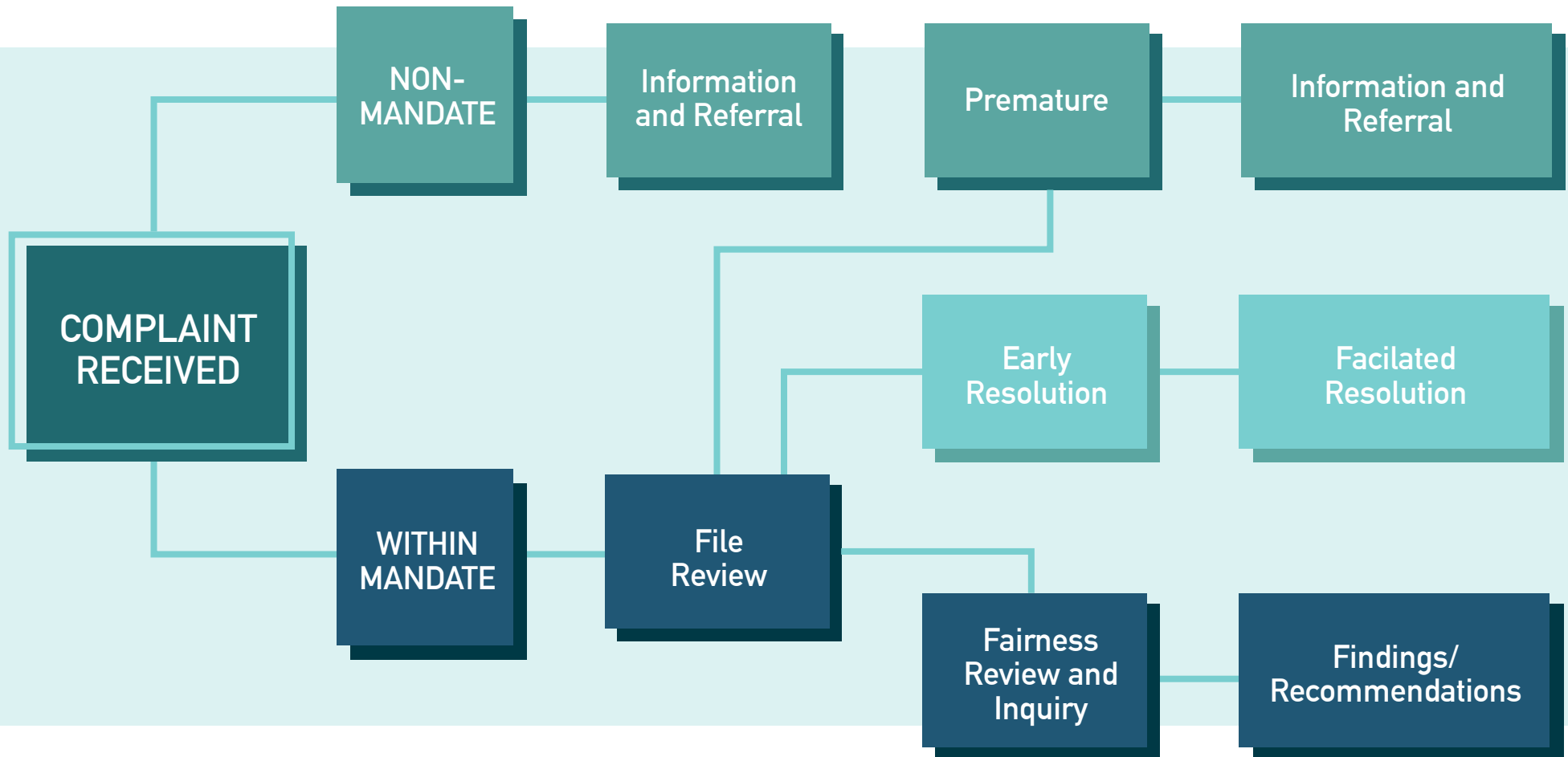
Promoting fairness is future focused. The Ombuds office meets regularly with Tarion's Warranty Services management team to discuss emerging issues and trends. We value cooperative resolution and working collaboratively. We believe it is more effective to prevent fairness concerns through early intervention, when appropriate, rather than to find them after they have already occurred.

We promote fairness at Tarion in two key ways:

- When Tarion is developing a new policy or procedure they may request that we review it in draft form to identify and address any potential fairness issues. In this way, we help prevent unfair practices.
- We are also available to Tarion staff for consultation on fairness issues. If a staff member is unsure of the fair way to proceed on a file, they can contact the office to discuss the situation in confidence and we can provide resources on the principles of fairness.



COMPLAINTS PROCESS



2024 AT A GLANCE



MOST COMMONLY RAISED ISSUES¹:

FAIRNESS CATEGORY		FAIRNESS ISSUE		NON-MANDATE	
106	Decision-making process	46	Lack of clear reasons	17	Complaints about builder conduct
51	Communication	32	Disregard for evidence	14	General System Complaint
48	Delay	21	No response	12	Inquiry/complaint from vendor or builder



CASE MANAGEMENT

171 FILE REVIEWS

A review of the file to determine next steps for resolution.

34 EARLY RESOLUTION

An enquiry with Tarion to address a homeowner's complaint without a fairness review.

12 FAIRNESS REVIEWS

An in-depth analysis of whether unfairness occurred.

2 OWN MOTION

A file initiated by the office.

COMPLAINT OUTCOMES

131

Information or Referral provided

106

Complaint premature

41

Abandoned or withdrawn by complainant

27

Facilitated resolution

10

Recommendations made*

08

Complaint unfounded

07

No Action Required

05

In mediation or under appeal

01

Complaint founded, no recommendation

*All recommendations made in 2024 were accepted and implemented by Tarion.

The New Home Ombuds office budget was \$755,000 for the fiscal year ending December 31, 2024.

¹The fairness issues noted above are based on the issues raised with the Ombuds office, most of the issues raised are pre-mature and referred back to Tarion.

CASE STORIES

EARLY RESOLUTION

Sometimes the Ombuds office can help resolve issues quickly through an early resolution instead of completing a full fairness review. Often this is done by facilitating communication between the homeowner and Tarion.

In one such example, a homeowner contacted the Ombuds office to outline concerns about the settlement offer Tarion had made to resolve warranted year-end items. The homeowner agreed with the amount Tarion offered but wanted to fully understand certain components of the agreement before accepting it.

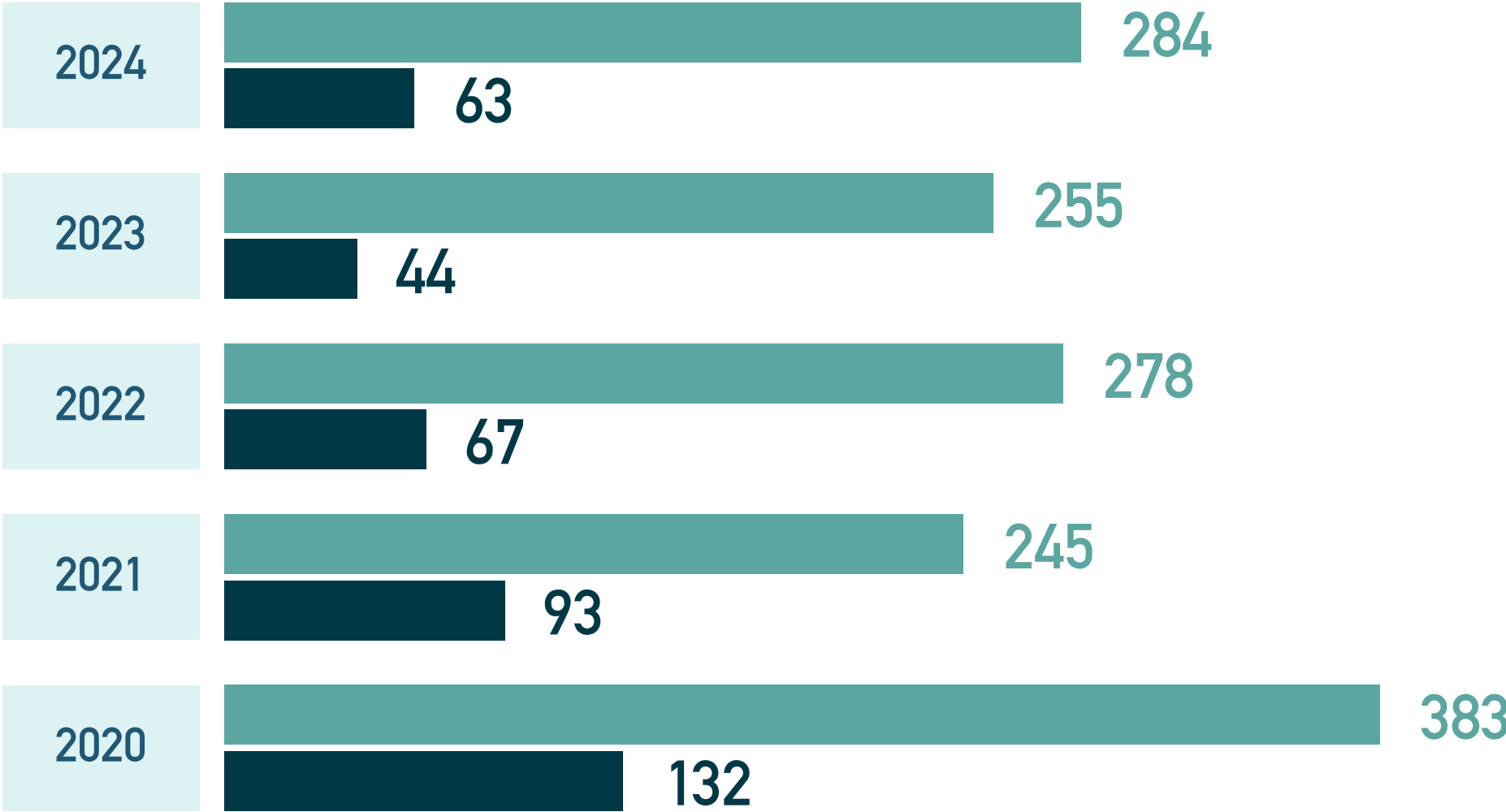
The Ombuds office does not have the authority to change Tarion's settlement offers or negotiate on behalf of a homeowner. However, after looking into the matter, we observed there was a communication breakdown between the homeowner and Tarion. The homeowner was having a difficult time clarifying their questions to Tarion and in turn, Tarion was not able to answer the questions.

Our office bridged the communication gap by meeting with the homeowner, clarifying the concerns and outlining them for Tarion. In turn, Tarion provided the information, and the homeowner accepted the settlement to resolve the year-end items.



FIVE YEARS IN REVIEW

- Complaints
- Information requests





“Thanks again for taking not only the time to chat with us, but for your empathy and understanding in regard to our situation.”

SYSTEMIC REVIEW: SETTLEMENT DOCUMENTS

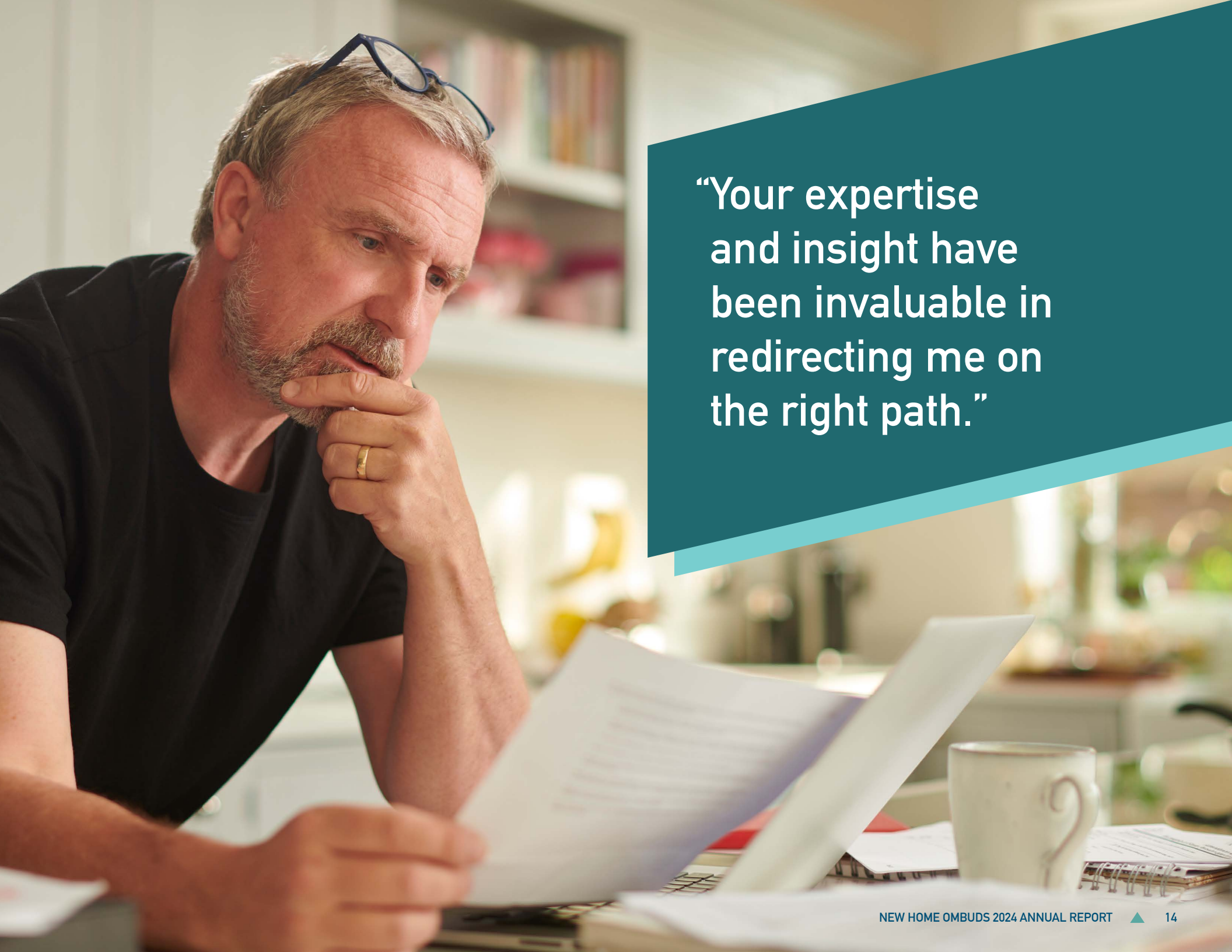
The Ombuds office has received several complaints about the documents Tarion uses when they issue a cash settlement to resolve warranty claims. Some homeowners were uncomfortable signing a release that states the settlement amount represents a final resolution of their claim, especially if they are concerned that the scope of work may not effectively address unknown defects.

The Ombuds office spoke to Tarion about concerns with the settlement documents, noting that they do not make it clear that homeowners have the option to re-open the settlement if, during the course of repairs, it is discovered that the scope of work that formed the basis of the settlement amount was incorrect. We were concerned that the release forms might give homeowners the impression that there was no recourse to address newly discovered issues after the release was signed.

After receiving our questions and concerns, Tarion committed to revising the language used in their settlement documents.

Tarion also decided to discontinue the use of release forms when settling most warranty claims. However, Tarion may still require that the homeowner sign a release for some settlement agreements.





“Your expertise
and insight have
been invaluable in
redirecting me on
the right path.”

A woman is shown in silhouette, looking out a window. She is holding a mug. The scene is dimly lit, with light coming from the window, creating a contemplative mood.

CASE STORIES

WINDOW PAINS

A young family contacted the Ombuds office after their communication with Tarion broke down. Although they raised several issues, they were primarily concerned with the energy efficiency of the windows in their new home. An energy audit recommended that the homeowners upgrade their windows to improve efficiency. The homeowners referred Tarion to their *Agreement of Purchase and Sale*, which stated that the home would include EnergyStar windows, and explained their view that the energy audit indicates the windows are defective.

After completing a fairness review, we found delay, communication and decision-making process issues with Tarion's handling of the homeowners' claims. Tarion agreed to all our recommendations to address the fairness issues, including that Tarion reconsider their initial assessment of the windows. The homeowners were very appreciative of the Ombuds findings and recommendations.

SUSPICION TEMPERED

A homeowner called to say they thought it was suspicious that Tarion suddenly shifted perspective about their flooring. At the inspection, they thought Tarion had acknowledged there was a problem with the flooring installation and the builder had even offered a cash settlement to repair it. When Tarion sent their assessment report, it said the flooring wasn't warranted. The homeowner wondered if the builder had talked to Tarion after the inspection and persuaded the representative to make the item unwarranted.

When the Ombuds office investigated the matter, we identified the flooring had not been submitted within the required warranty period. Tarion staff may have acknowledged that the flooring was defective, but unfortunately, since it was not claimed within the first year, it was not covered. As a customer service gesture, the builder offered a cash settlement to resolve the flooring. This is at the builder's discretion, and it does not impact whether an item is warranted.



“Thank you for
hearing us out and
being so kind and
understanding.”

CASE STORIES

DELAYED DECISION LETTERS

In 2023, the Ombuds office made several recommendations to address concerns we identified with Tarion's process for issuing Decision Letters. When Tarion makes a warranty decision, they are required to inform the homeowner about the decision in writing. If a homeowner appeals Tarion's warranty decision to the License Appeal Tribunal (the Tribunal), they must request and attach the written notice, referred to as a Decision Letter, when submitting the appeal. You can find a summary of our Own Motion review on page 10 of our [2023 Annual Report](#).

One of the recommendations the Ombuds made in 2023 was for Tarion to clearly communicate timelines to homeowners and inform homeowners if those timelines change. Clear communication is important, especially when dealing with contentious issues as it enhances trust and improves transparency.

While the Ombuds has seen improvements in Tarion's communication on timelines for Decision Letters, we continued to receive complaints about this issue in 2024.

One homeowner complained to the Ombuds office after waiting three months for Tarion to issue their Decision Letter so they could submit their appeal to the Tribunal.

We found Tarion had not provided the homeowner with a timeline for when they could expect to receive the letter. Also, we found the letter writing process was stalled while Tarion determined the status of some of the items.

We recommended Tarion apologize to the homeowner for the delay in issuing the Decision Letter and look for ways to expedite the completion of the letter.



**“I would like to
personally thank you
for your dedication to
consumer protection.”**



CASE STORIES

A PICTURE IS WORTH...

A homeowner encountered problems uploading pictures to their Year-End warranty form so they contacted Tarion's Customer Service team for help. The homeowner was told that, although the pictures were not a necessary part of the form, they could submit them via email to Customer Service. The homeowner sent in the pictures and confirmed with Tarion that they had been received and placed on their file.

However, when it came time for the conciliation inspection the homeowner was surprised to discover Tarion had not added the deficiencies shown in the pictures they sent to Customer Service onto their list of year-end items. They contacted the Ombuds office for help.

Although the issue was not caused by any error on Tarion's part, our office was able to help facilitate a resolution. Tarion said that, given the situation, they would be willing to consider whether items could be added to the form based on the pictures the homeowner sent before the year-end form was due.



“I truly value
the support
you provided
throughout this
process.”

CASE STORIES

INSPECTION DATE DELAY

A homeowner had over 100 items listed on their year-end form and had to move out of the house for several months as the builder attempted repairs. During the repair period, the homeowner was in contact with Tarion to discuss various concerns while working with the builder. Because of unique circumstances with the case, Warranty staff told the homeowner that dates would be reserved on the calendar so there would not be a long wait for the year-end inspection to take place.

However, after requesting the inspection, the homeowner was shocked to get a scheduling letter with an assessment date 10 months away. When the homeowner complained to the Warranty staff, they did not acknowledge the previous agreement to reserve dates on the schedule.

The Ombuds office investigated this concern and learned the homeowner had asked Tarion to place their case on hold while they negotiated a settlement with the builder. During that time, the reserved dates had been removed from Tarion's calendar. The Ombuds office considered Tarion's removal of the dates from the calendar to be reasonable under the circumstances. We did recommend Tarion apologize for not explaining to the homeowner that they would not reserve the dates while the case was on hold. Tarion issued the apology and was also able to find earlier dates for the next inspection.

COMMUNICATION UNCLOGGED

A frustrated homeowner contacted the Ombuds office because they faced challenges confirming a settlement to resolve warranted concerns with their plumbing system. They complained about delays and a lack of response to their follow-up calls and emails over a three-week period.

Our office intervened by contacting the manager assigned to their case. We were able to facilitate a response from Tarion, who agreed to accept the homeowner's counteroffer. Additionally, Tarion committed to sending the necessary paperwork to finalize the settlement within the week.

CASE STORIES

BEST PRACTICE

A homeowner contacted the Ombuds office to complain that Tarion had hired the same engineer the homeowner previously hired, which he felt led to a conflict of interest.

Our office investigated the matter and learned the homeowner provided Tarion with a report from the engineer to support his Second-Year warranty claims. Approximately six months later, Tarion retained the engineer's firm to review another expert's report and the same engineer previously hired by the homeowner was assigned by his engineering firm to conduct the review. The homeowner raised concerns with Tarion staff about a potential conflict-of-interest and later complained that the engineer had stopped communicating with him. However, the homeowner was not satisfied that Tarion took his concerns seriously, so he turned to the Ombuds office for help.

During our fairness review we learned that Tarion had offered to facilitate communication between the engineer and the homeowner. Tarion also explained that they hire technical experts based on a list of pre-approved contractors and that options may be limited in some parts of Ontario.

Tarion agreed that the best practice would be to avoid engaging the same individual or firm that a homeowner had previously hired. We recommended that Tarion provide a written apology to the homeowner and to remind staff of this best practice.

HERE TO HELP

If you have a fairness concern about Tarion or about how your file is progressing, contact us. We are always happy to discuss your situation. The team at the New Home Ombuds office is here to help.

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NEW HOME OMBUDS

