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Roseman: Heating and cooling systems can fail in new homes

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I'm getting complaints about heating and air conditioning systems installed in brand-new homes. Buyers say it's hard to get repairs done under warranty when the equipment doesn't work properly.

Bonnie and Don Pollock have a Keeprite air conditioning system, which they feel was faulty from the time they bought their home in St. Catharines, Ont.

When they first turned on the cooling in spring 2007, they got nothing but hot air.

"We placed a call to the builder, who in turn called the heating contractor who originally installed the system, Heritage Heating (Niagara)," Don said.

In 2010, the builder sent Heritage Heating to fix the cooling system again. The same problem recurred in June of this year.

The builder said their home warranty had expired. And the contractor said the compressor could be fixed only if they paid the labour cost (\$339).

"My wife and I were upset. We'd built a new home and had problems with our air conditioning system three times in a period of just over three years," Don said. "And in that period, the system was not used very much."

Mike Dufour, a spokesman for International Comfort Products (ICP), which makes Keeprite, agreed to cover the labour cost when I contacted him.

Keeprite didn't inspect the compressor when it first broke down in 2007, Dufour said.

If the manufacturer had done so, it wouldn't have denied full compensation when the part failed again this year.

Homebuilders tend to install low-cost heating and air conditioning systems, leading to premature breakdowns. Some homebuilders don't even buy them, but rent them from an outside supplier.

Bev Craddock has a five-year-old Toronto home. She was forced to sign a 10-year rental contract with morEnergy Services Inc. for heating and cooling equipment in order to close the deal.

She's had problems ever since. But she's tried without success to get the builder and Tarion Warranty Corp. to address her complaints, such as a huge temperature difference between the basement and the top floor bedroom.

Finally, she went to the License Appeal Tribunal to challenge Tarion's decision that the rented equipment fell outside her home warranty.

The tribunal agreed with her, saying that rented equipment was not excluded from home warranty coverage. It awarded her \$40,000 to fix the problems.

"I won, but there's no end in sight," she says. "Why won't Tarion help me?"

When Craddock asked why she hadn't received the promised compensation, Tarion president Howard Bogach said he was waiting for the end of the appeal period (Nov. 21) before processing her award payment.

"The matter of the rental of essential items within a home is relatively new," Bogach wrote. "We are further examining the implications and are not in a position to completely waive our right of appeal."

Craddock feels the issue is about protecting homebuilders and Tarion from other such claims.

She hired an expert, Dara Bowser of Bowser Technical Inc., who specializes in inspecting faults in residential heating, ventilation and air conditioning (HVAC) systems.

"Tarion has been aware of the problem since 2009," he said, referring to substandard systems installed in thousands of new Ontario homes.

Bowser contacted the Ontario consumer ministry, which is responsible for the legislation that governs Tarion, in August 2010. He didn't get a response.

I'd like to hear from owners of newly built homes. Did you have heating or cooling system problems that weren't addressed by the builder and Tarion? I'll follow up in a future column.

Ellen Roseman writes about personal finance and consumer issues. You can reach her at eroseman@thestar.ca.