Southern Response and the Earthquake Commission

Government Endorsed Financial Fraud

Preface

Through the criminal acts of New Zealand government employees it appears that tens of thousands of New Zealand families have been subjected to fraud, corruption, coercion, wounding with intent, and other violations of Criminal Law. These crimes have deprived New Zealanders and their families of potentially hundreds of millions of dollars[1] they were rightfully entitled to, had government employees not decided to act criminally.

You may have heard of class action lawsuits against the mentioned government agencies[2]. These crimes are unrelated to those reported issues, and are completely different and to a much larger scale than anything that has been made public up to this point.

The beginning of this document will present evidence of the crimes committed against me across a number of government organisations, and organisations that are meant to protect New Zealanders; starting with Southern Response. Later sections will provide evidence that these crimes did not happen to a small number of people, but that acting criminally was the standard business model for these employees.

The evidence presented here is easily verifiable by simply requesting it. Because these crimes were committed by government employees, the evidence of their crimes is considered Official Information. Official Information must be provided to any New Zealander (or foreign person in New Zealand) that requests it. If the agency you ask does not have the information then they have a legal requirement to forward it onto the agency that does.

As such, instead of requesting verification from multiple government institutions you can instead make a single request. For your convenience you can click on this link to autofill a draft email requesting all official information within this document.

I encourage every Kiwi to make a request as a signal to the wider New Zealand government that you do not think it's acceptable for government employees to commit crimes against the people of New Zealand. Multiple government agencies have already said that they do not consider these criminal acts to be a matter of public interest.

I believe this is a matter of public interest, and New Zealand law gives privilege to information about such matters.

This document will be updated to include evidence that appears to show at least 2 current members of the New Zealand Parliamentary Cabinet have committed crimes by acting directly to cover up the crimes committed by employees at organisations that they oversee. There is already included further evidence that local government employees are also participating in crimes in support of the other government employees.

New Zealand is thought to be the least corrupt government in the world. However, there is a large gap between "least corrupt" and "no corruption". This document shows that New Zealand government employees are willing to commit crimes, and that they appear to receive protection from the Ministers we elect to protect us.

[1] Southern Response says sorry to mistreated customers (Audio mark 7:56) https://www.rnz.co.nz/audio/player?audio_id=2018730131
[2] See the section "What Southern Response is already known for" for links to those issues.

This document is a work in progress and will act as a continuing record of the crimes committed against these tens of thousands of homeowners. The criminal acts have been done in secret, hidden from the public. With your help by requesting the Official Information, instead of committing crimes that nobody will ever know about, these criminals will now be operating in full sight of public scrutiny.

While there may be tens of thousands of people that will finally see evidence that government employees have been committing crimes thus validating their own experiences; there may equally be people that are not happy to learn that their friends and family have been collecting paychecks in exchange for committing crimes against their fellow New Zealanders. Exposing crimes by government employees isn't an easy decision to make and due to concerns of my own family's safety I have asked the government agencies involved to not include my personal information in responses for Official Information.

If you have any feedback, questions, or seek clarification on any of the information contained in this document I can be contacted at southern.crimes@gmail.com

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Southern Response

Southern Response is a State-owned enterprise. It is a Schedule 4A Company[3] under the Public Finance Act 1989, and therefore certain provisions of the Crown Entities Act 2004 apply to the company as if it were a Crown entity.

Southern Response has two Shareholder Ministers whose responsibilities include monitoring the financial performance of the company, and appointing the board of directors and deciding their pay.

Southern Response has made plans to continue operating as they are for at least the next 5 years. This and a fuller explanation of how Southern Response wants to be perceived can be seen in their latest Statement of Intent For Financial Years 2022 to 2026[4]

Why Southern Response exists

Southern Response was established after the 2010 and 2011 Canterbury Earthquake events, and covers all of the earthquake related responsibilities that were held by AMI Insurance Limited. Generally speaking there were over 48,000 claims that the insurance company couldn't afford to pay, so the New Zealand government took over the claims instead.

As such Southern Response can be seen as an earthquake insurance company that is settling all of its outstanding claims before shutting down once those claims are settled. It does not accept new customers.

Southern Response Responsibilities

Southern Response staff are state services employees and are subject to the Public Service Commission's Standards of Integrity and Conduct. [5] They have a number of obligations set out under the categories:

- fair
- impartial
- responsible
- trustworthy

Our Insurance policy gives us further rights that Southern Response staff must adhere to:

- have your claim acknowledged and dealt with in a professional and efficient manner, and
- receive a fair settlement of your claim as quickly as circumstances allow, and
- receive a clear explanation why any claim has not been met, and
- have free access to our formal complaints procedure

[3] New Zealand's central government organisations - https://www.publicservice.govt.nz/our-work/state-sector-organisations/
[4] Southern Response Earthquake Services Limited Statement of Intent For Financial Years 2022 to 2026 - https://www.southernresponse.co.nz/images/documents/Signed_FINAL_Sthn_Resp_-_2022-2026_Statement_of_Intent.pdf
[5] Standards of Integrity and Conduct - Public Service Commission - https://www.publicservice.govt.nz/resources/code?e200=action_viewall

What Southern Response is already known for

Here are some examples where Southern Response has already made the news.

Hiring private investigators

- Southern Response chair resigns following Govt spying fiasco [6]
- $180k of taxpayer money used to spy on Kiwis after Christchurch earthquakes [7]

Withholding known costs

- Southern Response engaged in misleading and deceptive conduct, High Court finds [8]
- Gerry Brownlee says Southern Response ordered to behave in a 'fair and reasonable manner' [9]

Refusing to pay people with settled claims where full costs were excluded

- Southern Response appeal on Dodds decision largely dismissed [10]
- Southern Response class action deal paves way for payouts [11]

Southern Response management justifying their behaviour

- Anthony Honeybone: Southern Response CEO explains why they're appealing court decision [12]
- Case Hurren: New Southern Response boss Casey Hurren offers apology in first interview [13]

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[6] Southern Response chair resigns following Govt spying fiasco - https://www.newshub.co.nz/home/politics/2018/12/southern-response-chair-resigns-following-govt-spying-fiasco.html
[7] $180k of taxpayer money used to spy on Kiwis after Christchurch earthquakes - https://www.newshub.co.nz/home/entertainment/2021/12/hollywood-awards-season-heating-up-with-golden-globes-critics-choice-awards-going-head-to-head.html?ref=ves-nextauto
[8] Southern Response engaged in misleading and deceptive conduct, High Court finds - https://www.stuff.co.nz/business/115054908/courts-find-southern-response-engaged-in-misleading-and-deceptive-conduct
[9] Gerry Brownlee says Southern Response ordered to behave in a 'fair and reasonable manner' - https://www.stuff.co.nz/business/115115361/gerry-brownlee-says-southern-response-was-told-to-behave-in-a-fair-and-reasonable-manner
[10] Southern Response appeal on Dodds decision largely dismissed - https://www.rnz.co.nz/national/programmes/checkpoint/audio/2018762957/southern-response-appeal-on-dodds-decision-largely-dismissed
[11] Southern Response class action deal paves way for payouts - https://www.stuff.co.nz/national/126685327/southern-response-class-action-deal-paves-way-for-payouts
[12] Southern Response CEO explains why they're appealing court decision - https://www.youtube.com/watch?v=-h2VKJ9J_d8
[13] New Southern Response boss Casey Hurren offers apology in first interview - https://www.stuff.co.nz/business/118858683/new-southern-response-boss-casey-hurren-offers-apology-in-first-interview

Things Southern Response isn’t yet known for

Incomplete Privacy Act responses

From when it was established in 2012 until mid 2019 Southern Response’s handling of Privacy Act requests was flawed in such a way that legally required information could be (and was) excluded from the responses it provided.

In New Zealand you can request copies of personal information that a company holds about you through a law called the Privacy Act.

I informed Southern Response on 19 July 2018 that there was likely a problem with the way they were providing responses. On 25 June 2019, which is 233 working days after I reported the issue, I received a report that confirmed that Southern Response was processing requests in a way that prevented correct responses.

> **What changes are required so we can be assured that future Privacy requests will capture all relevant files?**
>
> The retrieving of Aconex attachments is a highly manual process. There are some slight modifications to process that could mitigate the possibility of future confusion between files with the same name although it must be noted that this is the first known instance of this issue impacting a Privacy request.
>
> These would include:
>
> - [items skipped for brevity]
>
> The above approach would need to be trialled for a period to determine if this is practical as the volumes of duplicate documents may cause this to impact adversely on the timeliness of the Privacy process.

This can be read as Southern Response saying their manual process takes so long that they would rather illegally exclude documents than automate the process so that it wasn’t time consuming.

When I asked Southern Response how and when they were going to inform people that they had been provided with incomplete Privacy Act responses the reply that I received indicated that Southern Response would not be informing anyone of missing documents.

Committing a Significant Breach of the Fair Insurance Code

On 26 June 2019 Southern Response was found to have significantly breached the insurance industry code of ethics so significantly that their actions had the potential to bring the entire insurance industry into disrepute.

Despite my claim being unresolved, the Insurance Council of New Zealand (ICNZ) decided not to take any action against Southern Response for their significant breach because, as stated by ICNZ Legal Counsel Jane Brown “The Committee found that Southern Response’s offer of an apology and ex gratia payment was adequate to resolve the breach.”

Further details

ICNZ is a non-governmental body that describes their mission as “to promote and shape a responsive and sustainable insurance industry to safeguard New Zealand.”

Insurance companies can voluntarily become members of ICNZ. Members of ICNZ have obligations to uphold the membership Rules as well as what is stated by ICNZ Legal Counsel Jane Brown as “Under the ICNZ Rules, our Members must comply with the “Code of Ethics” (the Fair Insurance Code).”

ICNZ published guidance says “the Insurance Council considers a ‘significant breach’ of the Code to be a material breach of any provision in the Code – or a series of breaches of the Code that, taken together, are material – with the potential to bring the insurance industry into disrepute.“

Although Southern Response being found guilty may appear to be a finding in my favour, please note that the Insurance Council of New Zealand is on the list of organisations that I will be presenting evidence against later in this document.

The Apology vs Reality

The significant breach of the code of ethics was deemed to be resolved by an apology. The wording of that apology by Anythony Honeybone can be found in Appendix A at the end of this document.

Over the course of the last years Southern Response has stated many times that I should accept these statements of apology as being sincere, and without the full context you could be forgiven for thinking they were.

However these statements hide what I believe are violations of the Crimes Act 1961 Sections 145 Criminal nuisance; 188 Wounding with intent, and 240 Obtaining by deception or causing loss by deception. Later sections will cover additional potential crimes.

Background

There may be some readers who, like me, are not lawyers, builders, engineers, or otherwise have expertise in the matters of earthquake insurance repairs. I will try to minimise any technical information while still being as accurate as I am capable.

The insurance policy is held by me and my mum. I purchased the house with the intent that my mum would live in the house while I went overseas. We believed both of us being on the insurance would make management of any future claim easier.

The house is in the Eastern Suburbs of Christchurch, the most damaged by the earthquakes. The house is on TC3 (Technical Category 3) land which means it’s the worst category of damaged land that can still be built on.

Claims for house damage were filed after both the 2010 and 2011 earthquakes. The earthquake damage to the house was determined to be below a specific cost that meant the claim was handled by the Earthquake Commission instead of Southern Response. However, after re-evaluation in 2016 it was deemed to be above the limit and the claim was transferred to Southern Response to settle.

The disagreement about the insurance claim is that the house requires foundation repairs, and I am entitled to retain the existing cladding. However, the cost of doing so incurs a cost that Southern Response does not want to pay. Since Southern Response are legally required to allow me to retain the existing cladding they had the choice of doing what they are legally required to do, or act illegally. They have chosen to act illegally.

In this section we’ll be talking about different repair methodologies which consist of:

- Jack and Pack - Option A - The cheapest repair methodology for damaged foundations
- Foundation upgrade - Option B - This is required to support continued use of the existing cladding
- Perimeter based screw piles - Option C - Screw piles around the foundation perimeter and internal pile jack and pack.
- Full foundation screw piles - Unnamed (but also called Option C) - Screw piles around the foundation perimeter and every pile.
- Option D: exactly the same as Option A.

In addition to Southern Response these organisations will be mentioned:

- Engeo - Geological Engineers - Responsible for advising about land
- Harrison Grierson - Structural Engineers - Responsible for advising about buildings
- Arrow International - Project Management team - Responsible for the remainder of technical documents in creating a Detailed Repair Analysis (D.R.A.)

Delay providing the report

In the apology Southern Response CEO at the time Anthony Honeybone states that Southern Response should have presented us with an additional repair methodology sooner. Anthony Honeybone specifically says “I apologise for our delay in getting this report to you”. However we were never provided the report, it wasn’t delayed, it was intentionally withheld in order to deceive us.

The report Anthony Honeybone is referring to that was not provided to us is for Option B.

When Southern Response approached us in 2016 they presented a single engineering option. (Option A) We met with them in January 2017 and informed them that we had a strong desire to retain the existing undamaged cladding on the house. It was agreed this was possible and that the repairs would be concluded within 6 months; the only time consuming thing required was to get the engineering report updated. (with Option B)

Always recommended by engineers

According to Samantha Groves, Claims Specialist at Southern Response, option B is so common that it should have been included with the initial option in 2016.

On 10 May 2018, Samantha Groves stated to me by email that:

> Rebuilding the foundations(option B) is always an option that is recommended by the engineers along with the repair options if they are possible.

Exclusion of Option B from initial reports

The reason that Option B was not included in the initial reports is because Southern Response specifically requested that their engineers exclude it from the initial reports.

On 24 January 2017 an engineer at Harrison Grierson emailed Arrow International requesting confirmation that Southern Response would pay for the additional methodology that they “made clear” that they did not want included in the initial reports.

> During early discussions regarding this site it was made clear by SR that a replacement foundation option was not to be carried out, following this HG have attempted to provide a strategy which avoids this but at the sacrifice of lightening the cladding.
> Please confirm by return that this option is to be pursued and that additional costs incurred to revise pour report will be met.

This was in response to an email by Jon Wroth, Project Manager at Arrow International, on 19 January 2017 where it is made clear that we have the right to retain the cladding as per our policy.

> While this job is in your field of vision at the moment, can I ask you to consider the Policy response for this claim, particularly with regard to the replacement of cladding to the main property - at the moment we are planning for removal of the existing stone, over-pinning and re-levelling the superstructure, recladding with a lightweight alternative. I'm being told that our Policy Response now is strictly to replace like for like, so we need to propose a methodology that gives the homeowner back exactly what they had before i.e. Summerhill stone cladding on a re-levelled floor .
> Could you please look at this and give me your recommendations as soon as possible?.

Confirming the options

Southern Response received the updated report in April 2017 that provided for Option B.

On 3 May 2017 Dean Serra, Claim Specialist at Southern Response, wrote to Jon Wroth to ask for an update on the claim so that it can proceed.

> Hi Jonathon,
>
> Can we please have an update on the engineering and DRA update coming through on this claim.
>
> This is a new claim I have picked up from Michelle, from what I can see we are waiting for detailed engineering/design to be completed; have the DRA scope updated so we can share that with the homeowners to review, I presume before getting a contractor to price.
>
> Many thanks,
>
> Dean Serra

However, in response on 11 May 2017 Jon Wroth informed Dean Serra that they did not like the cost and therefore there needed to be additional conversations about how to proceed. This is despite Jon Wroth reiterating that we have a right to retain the existing undamaged cladding.

> Hi Dean
> As discussed the other day, this Claim was re-engineered due to Policy Response requiring retention of heavy weight cladding. The revised Report just received (attached) now provides option B under 8.2.1 Main Dwelling (page 14) and as such recommends replacement of the sub structure with a new Type 2A surface structure. The heavyweight cladding would have to be removed and replaced. Engeo also recommend in their attached report, deep bored piles 5-7.5m deep - this leads to the conclusion that a high lift is not achievable and any repair may be uneconomical.
> Happy to discuss this further with you and your manager so we can agree how to move forward to a conclusion.
> Regards
> Jon

On 16 May 2017 Jon Wroth wrote to the structural engineers at Harrison Grierson and requested that they reevaluate the options and if they are able to they should remove Option B from their report. This is now the second time that we have seen a request to hide this methodology from us.

> product. You have suggested two options in your report:
> 1) Overpinning the ring beam (in reality it will be the concrete nibs on which the bearers are resting -see photos) but replacing the cladding with a lighter alternative (which is not Policy response).
> 2) Removing and replacing the foundations with a Surface structure.
> Can you please review your revised report alongside the Engeo recommendations and our Tech review and re-address solution 1) above confirming that it will be acceptable to provide Policy Response in the Methodology, overpinning as described, removing and replacing the heavy cladding like for like, and if this is the case remove from the report the option of foundation replacement.?
> Also note the reviewer's comment on lack of detailed info on the garage.

Later on 16 May 2017 Jon Wroth again informed Dean Serra that switching to lightweight cladding is not valid Policy Response. Note that the switch would only be required by Option A, as Option B is specifically about retaining the existing undamaged cladding, but Southern Response do not want to proceed with Option B because of cost.

> Hi Dean
> Just to keep you in the loop on this Claim, it seems after Tech Review that it could be possible to relevel the property by overpinning (after de-clad of the brickwork) as Engeo are not ruling this option out. However the Engineers have some contradictory info in their report, where they're still suggesting we have to reclad in lightweight (not Policy Response) so we've gone back to them to clarify and include in their report that we can adopt this Methodology.
> I've left a message for the Senior Engineer to call me so I can chase up a rapid response.
> Regards
> Jon

On 12 June 2017 the technical reviewer at Arrow International stated that they were happy that all technical options had been considered and that a Detailed Repair Analysis (DRA) should be drawn up based on Option B. (since we stated that we had a strong desire to retain the existing undamaged cladding)

> Hi Jon, I am happy with where the engineering has got to, assuming that the homeowner is not happy to replace cladding with lightweight. Please let me know when you're ready for me to review the DRA.

Provide or Hide

On 19 July 2017 Jon Wroth replied to a request for an update by Jade McArthur, Customer Liaison Advisor at Southern Response. That reply stated that despite us having requested to retain the existing cladding in January 2017 that further discussions were required with Southern Response management about whether to proceed with Option B as they were legally required to, or instead again "offer" to switch to lightweight cladding.

> Hi Jade
> Apologies , I've been off sick.
> I've reported the Structural Engineer's findings of foundation review to my 2IC Paul McColl, and he is going to have a meeting with Dean and his Manager to request an SR decision on whether to commit to Policy Response (which will transfer the Claim to Rebuild DRA), or offer lightweight re-clad alternative to the Customer where it can then remain a Repair Builders Price DRA.
> Paul's also off on sick leave at the moment, but I'm copying him in on this response as a prompt to move this forward as soon as he returns.
> If you want to update the Customer, you can tell them we'll have a decision to communicate to them next week hopefully.
>
> Regards
> Jon

On 24 July 2017, Jon Wroth wrote to Jade McArthur that despite all the engineering advice and the acceptance of that advice by the technical reviewer of the project management team Southern Response still did not want to proceed with their legal obligations.

> Hi Jade,
> We've discussed the Claim with a Senior SR Manager today, and he has asked us to get Clarification from the Engineer as to why we cannot replace the Heavyweight cladding. Please see correspondence below - will keep you updated as soon as we get a response.
> Regards
> Jon

Proceed or Deceive

After attempting to find alternatives to avoid implementing Option B, on 26 July 2017 the technical reviewer for Arrow International sent an internal message that included:

> c. If the customer wishes to retain heavyweight cladding, it appears from our consultants' advice that the foundation needs to be upgraded. ENGEO recommended constructing a Type 2A foundation with deep piles and Harrison Grierson have given this as their foundation rebuild option in their report.

On 28 July 2017 Jon Wroth forwarded the above statements about the engineers recommendations to Dean Serra.

On 3 August 2017 Dean Serra wrote an email to Cassey Hurren, who at the time was General Manager of Legal and Strategy for Southern Response, asking for permission to deceive us by stating that the policy response was that we were not entitled to retain the existing undamaged cladding.

> **From:** Dean Serra
> **Sent:** Thursday, 3 August 2017 3:34 p.m.
> **To:** Casey Hurren
> **Cc:** April Smith; Jade McArthur
> **Subject:** [redacted]
>
> Hi Casey,
>
> Do you have 10 minutes to discuss policy response for this claim. I have discussed with Anthony who referred me on to you.
> *[… background of the claim excluded from this copy for brevity]*
> Is policy response that it is appropriate to replace the heavy cladding with lightweight or could the homeowner insist of a repair methodology that puts back heavy cladding in which case this in all likelihood goes to a rebuild?
>
> Many thanks,
>
> **Dean Serra**
>
> **Claim Specialist**
>
> **Technical Review and Resolution**
>
> Southern Response Earthquake Services Ltd

Dean Serra had been informed by Jon Wroth on several occasions that what he was proposing was not a valid policy response. Also legal precedent, which Southern Response includes on their own website, would make what he was asking not honest. [14] And the MBIE guidance documents[15] which state that if we wish to retain the existing cladding then we are entitled to.

Note that Dean Serra originally asked Anthony Honeybone who at the time was General Manager for Claims Settlement. Note that Anthony Honeybone did not tell Dean Serra to not deceive us, but instead to check with the legal department before attempting to cause loss by deception. It was just a month after this that Anthony Honeybone was promoted to Chief Executive of Southern Response, and later went on to write the apology that we are addressing in this section of this document.

Further note that it is Cassey Hurren, who at the time was General Manager of Legal and Strategy

[14] Legal Precedents See Turvey Trustee Limited v Southern Response [2012] NZHC 3344 - http://southernresponse.co.nz/images/documents/Legal_Precedents.pdf
[15] MBIE guidance - https://www.building.govt.nz/assets/Uploads/building-code-compliance/canterbury-rebuild/repairing-and-rebuilding-houses/canterbury-guidance-part-c.pdf

for Southern Response, was promoted to Chief Executive in 2019 after Anthony Honeybone left Southern Response.

On 3 August 2017 Dean Serra sent an email that the engineering advice was that we have to remove the existing cladding. As Option B existed, was provided by the engineers, and allowed the retention of the existing undamaged cladding this statement is an outright lie.

Note that Dean Serra is writing this to Jon Wroth, the person who provided the engineering advice to Dean Serra in the first place, and therefore Jon Wroth knew it was a lie. As such this appears to be Dean Serra asserting that because Southern Response management have approved this lie that Jon Wroth should proceed based on that lie.

> I have discussed this with Anthony and Casey.
>
> SR view is that given the recommendations of the engineering and geo-tech that the repair requires a change to lightweight cladding we present this to seek the customers input. If they are accepting of this change then we proceed along that line.
>
> If they were to reject this proposal and insist on a heavy, brick type cladding being returned then we would have to consider our options.

At this point Southern Response had the engineering advice for months, and knew that it was valid more than a year earlier when they "made clear" that it should not be included in the initial reports.

On 4 August 2017 we received an email from Dean Serra, via Jade McArthur that contained misleading statements that reframed the engineering advice as if Option B did not exist. In the section titled "Next Steps" it was stated that Southern Response would proceed with Option A, and did not provide any alternatives.

> Southern Response will continue with the necessary detailed engineering and architectural design work to discuss further with you, (including the cladding replacement), and have the necessary earthquake repairs documented to the point where a consent application could be made.

That email included the "updated engineering reports", but did not include the updated report from Harrison Grierson that contained Option B. If we had been provided with the correct report then Southern Response would not have been able to lie to us because the updated report would show that they were lying. Southern Response had requested at least twice that the additional repair option not be included in the reports, after the last request was denied they then took it into their own hands by not providing the report and instead providing the prior version that excluded the repair option.

Also on 4 August 2017 Dean Serra wrote to Jon Wroth asking for some clarification from the engineers about which lightweight cladding options would be acceptable in his preparation to lie to us, but also included this section which makes clear that Dean Serra was aware that the MBIE guidance states that if we want to retain the existing cladding we are entitled to and that the foundations would need to be upgraded:

> Should it transpire that the existing heavy weight cladding be retained could the perimeter beam be re-levelled by using permanent screw piles which my understanding would mean that the foundation would then bear below the layer of peat and as such could be considered foundation upgrade to allow heavy cladding to be retained, (table 14.1 MBIE).

On 17 August 2017 Dean Serra stated that he wanted to discuss further the options of switching to a lightweight cladding and attempted to remove me from the claims process (knowing that I was overseas and unable to attend) saying that he wanted to have a meeting with my mum, for whom he knew was elderly and undergoing chemotherapy for her cancer.

> I have discussed this further with senior management and have the following to pass on. Southern Response would very much like to meet with Mrs [redacted] and any support people she wishes to discuss the repair strategy required.

In that email Dean Serra also states:

> Southern Response maintain that the costs that would be incurred should the heavy weight Summerhill stone cladding be retained are neither necessary or reasonable and as such are not included in the insurance policy response to the earthquake damage.

In response I asked what is the repair strategy that would incur the cost that Southern Response deems not necessary or reasonable. An honest response to this question would be to name Option B as per the report, but because we were not provided with the updated report it did not contain Option B, and deceptive information was provided instead.

On 23 August 2017 we received our last communication from Dean Serra. All of the interim communications contained deceptive statements to which I asked Dean Serra very specific questions in response.

My last message to Dean Serra was sent on 24 August 2017 and included:

> Apologies if my request for information wasn't clear. I had hoped you could provide me with specific measures that lead to the property being deemed "lesser ground performance" with regard to the MBIE guidelines. Your response contains the phrases "broad generalisation" and "generally considered", and does not address [redacted]'s specific circumstance as outlined in the geotechnical report.
>
> Is it Southern Responses assertion that the MBIE guidelines do not include specific measures that can be used to determine a properties suitability for continued use of heavy weight cladding?

We did not get any further responses from Dean Serra. Instead we were told that he would be leaving the company and that April Smith, Claims Settlement Manager who was Dean Serra's manager, would do a full review and get back to us.

On 11 September 2017 Jon Wroth wrote to April Smith stating that the engineering advice and policy response required that Southern Response must proceed with Option B, but in doing so must move from repair to rebuild. Jon Wroth wrote this after engineers considered Dean Serra's enquiry about screw piles on 4 August 2017 and made a determination that it was not an appropriate repair methodology. Jon Wroth's statements are further evidence that all the previous statements by Dean Serra about Southern Response not needing to retain the existing cladding in its policy response are lies.

> Hi April,
> Following our discussion around the Repair Methodology for [redacted] this morning, we would like to clarify the situation for you as it stands, having recently received the requested comment from Engeo (below).
> On the understanding that the Homeowner wishes to retain their heavyweight cladding (Oamaru Stone), the only Methodology for repair which answers Policy Response is to de-clad, disconnect from foundation and temporarily relocate the Superstructure, whilst the foundations are removed and replaced with a Type 2B surface structure with deep piles (to reach a suitable bearing pressure). The repositioned superstructure would then need to be sited at a higher level, with the water table reported as at zero, and the property situated centrally in the FMA.
> From a Practical point of view we would comment that this Methodology will be impractical as the Property cannot be removed from site due to restricted access, it cannot be "lifted and rolled" as there is insufficient footprint, and it cannot be high lifted due to the need for deep piling.
> We therefore recommend that this Claim is moved forward to Technical Rebuild DRA, and onward to Rebuild Cash Settlement.
> Regards
> Jon

Summary

This is not where the deception ends, but it is where I will end this section.

It wasn't until January 2018 that we finally received a new revision of the structural engineering report that also included Option B. That being the very first time that we were aware of a documented option that didn't require replacing the existing cladding.

From the start of the claim Southern Response, and its agent Arrow International, requested that the structural engineers hide the option from us. First by asking it to not be included in the initial report and then the further request to remove it from the updated report.

After receiving definitive responses from their own engineers and project management team, Southern Response didn't proceed with that advice, but instead acted to deceive us.

Anythony Honeybone said in his apology that Southern Response should have provided the engineering report sooner. However, if Southern Response had provided the report sooner then Southern Response staff would not have had the option to lie to us because we would have had the evidence that they were lying to us. Instead of apologising for not providing the report, maybe

Anthony Honeybone could have apologised to us for attempting to deceive us and intentionally hiding the report from April 2017 until January 2018 when we received the new report.

All of the above appears to be many occurrences of violations of the Crimes Act 1961 Section 240 Obtaining by deception or causing loss by deception.

The above also appears to be many violations of the Standards of Integrity and Conduct that all Public Services staff must adhere to.

This might also be a violation of Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008, Section 10.2 Reputation of profession. Generally speaking I would assume that a lawyer advising to commit crimes would be considered something that would bring the profession into disrepute.

The above also appears to be a breach of contract in relation to the insurance policy which requires that claims be settled quickly.

A deadline that was not reasonable

In the lines of apology Anthony Honeybone makes several references to a deadline that Southern Response set for me which Anthony Honeybone has deemed “not reasonable”.

The statements that he is apologising for came from an email to me on 15 February 2018, by Samantha Groves, Claims Specialist at Southern Response.

That email ends with “If we do not hear from you by the 21st then Southern Response will have no option but to proceed back to policy and proceed to detailed design based on the option A repair strategy.”

The time from 15 February to 21 February 2018 is 5 working days, not the “two weeks” that Anthony Honeybone stated in the apology.

In this section we will cover more potential violations of the Crimes Act section 240 Obtaining by deception or causing loss by deception.

Why was there a deadline

On 26 January 2018 I received an email from Samantha Groves providing a structural engineering report and a statement to read Option C. This report also contained Option B, and was the first time that we were provided with Option B, or even knew that it existed.

After having read the MBIE Guidelines in 2017, and requesting quick consultations about Option C I wrote back to Southern Response requesting that they re-check the validity of Option C with their engineers. I also stated that Southern Response should proceed with Option B, that I didn’t appreciate them hiding it from us, and that it exposed the lies by Dean Serra.

The response from Samantha Groves was full of lies (see Appendix B for examples). Among the many lies was a statement that despite having told them that Option C wasn’t valid for retaining the the existing undamaged cladding, and that they should proceed with Option B which is solely about keeping the existing cladding, that they believed my statements meant that I no longer wished to retain the existing cladding.

Southern Response requested that I provide technical evidence of Option C being invalid, and to let them know if I did still want to retain the existing cladding before the 1 week deadline was over, otherwise they would proceed with Option A without any further input from us.

Validity of Option C

The email from Southern Response makes reference to Option C (perimeter only screw pile foundation) being considered valid by Southern Response's Geo Engineers, Structural Engineers, and Arrow International.

> Please be aware that the structural engineer was in contact with the geotechnical engineer while considering these options and the ENGEO report has supported this solution as per the revised report, reference 9653.003.413_01/REV1
>
> Option B and Option C were recommended after discussion with Arrow, following directions from Southern Response in regards to whether the heavy weight cladding could be reinstated. The policy responds to paying fair and reasonable costs,

However, the real statements by these agents do not match what Southern Response states.

On 25 January 2017 (more than 12 months before Samantha Groves' email, and days after our meeting with Southern Response) Southern Response's structural engineers (Harrison Grierson) said to staff of Arrow International:

> As discussed in the previous email, reinstating the summerhill stone would require the foundation to be rebuilt into a piled foundation. Over-pinning would require a new, lighter weight cladding.

On 26 July 2017 (referenced previously) internal communication at Arrow International includes:

> c. If the customer wishes to retain heavyweight cladding, it appears from our consultants' advice that the foundation needs to be upgraded. ENGEO recommended constructing a Type 2A foundation with deep piles and Harrison Grierson have given this as their foundation rebuild option in their report.

On 30 August 2017 Southern response's Geotechnical Engineers (ENGEO) stated to Jon Wroth about Dean Serra's suggestion on 22 August 2017 to investigate perimeter only screw piles:

> It is geotechnically viable to relevel using screw piles, however if these are to be permanent fixtures as suggested below they would have to be installed so that the entire foundation is founded on the screw piles. Given the shallow nature of the peat if only the perimeter beam was founded on the screw piles you could expect differential performance between the perimeter beam and shallow piles. Underpinning the entire foundation on screw piles would be considered a foundation "upgrade" from a geotechnical perspective.

Note that in these statements that perimeter only screw piles (Option C) was deemed not appropriate by the geotechnical engineers, however full foundation screw piles would be acceptable.

This engineering advice was what lead to Jon Wroth to email April Smith on 11 September 2017 with the following advice (seen previously):

> Hi April,
> Following our discussion around the Repair Methodology for [redacted] this morning, we would like to clarifty the situation for you as it stands, having recently received the requested comment from Engeo (below).
> On the understanding that the Homeowner wishes to retain their heavyweight cladding (Oamaru Stone), the only Methodology for repair which answers Policy Response is to de-clad, disconnect from foundation and temporarily relocate the Superstructure, whilst the foundations are removed and replaced with a Type 2B surface structure with deep piles (to reach a suitable bearing pressure). The repositioned superstructure would then need to be sited at a higher level, with the water table reported as at zero, and the property situated centrally in the FMA.
> From a Practical point of view we would comment that this Methodology will be impractical as the Property cannot be removed from site due to restricted access, it cannot be "lifted and rolled" as there is insufficient footprint, and it cannot be high lifted due to the need for deep piling.
> We therefore recommend that this Claim is moved forward to Technical Rebuild DRA, and onward to Rebuild Cash Settlement.

So the statements from Southern Response's geotechnical engineers, structural engineers, and project managers were that Option C is not valid. This is in direct contradiction to what Samantha Groves stated in her email.

How an invalid option come to exist in the report

If Option C isn't valid then how did Southern Response get a structural engineering document that says that it's valid? What follows are the events between Jonathan Wroth's email on 11 September 2017 and Samantha Groves's email presenting Option C on 26 January 2018.

On 14 September 2017 Arrow International was still investigating replacing the cladding against our requirement to keep the existing cladding.

> Can you confirm that the 90mm thick Summit Hill stone is the smallest in the range or is there a 70mm thick type available?

At the end of that day April Smith sent me an email stating that Southern Response were progressing the claim without any input required or allowed by me. Note that this is 4 days after April Smith was explicitly told by Jon Wroth that the only option available to Southern Response was to proceed with Option B.

<u>Summary</u>

As per the Engeo report, the change in cladding to a lighter weight is *'recommended'* to reduce future static settlement due to the pre-existing condition of the soils. it is not a requirement to change the cladding, it is also not earthquake damaged.

Southern Response can put back the Summerhill stone cladding when the relevelling has been completed, as it is now. Reinstating the heavyweight cladding would not put the property back in any worse condition that it was prior to the earthquaked with the proposed relevelling methodology.

I am satisfied our proposed methodology more than meets the AMI Premier House Policy response, as it would put the property in a better position than it was prior to the earthquakes events by upgrading the cladding to a modern lighter weight design and perform better for the soil conditions identified for the site. I appreciate this may not be the answer you are looking for.

We acknowledge the previous offer was based on a QS estimate of the cost of repairs as identified in the DRA. Southern Response have progressed into detailed design, with a full engineering and design package that will be ready for consent. This will then be priced by a builder who will enter into contract with either the homeowner or Southern Response to complete the reinstatement works. As per the AMI Premier House policy If your house is damaged and can be repaired, we can choose to either:

i repair your house to an 'as new' condition, or

ii pay you the cash equivalent of the cost of repairs.

For the avoidance of doubt Southern Response have not made a formal election at this time.

Once we receive the detailed designs, including the PS1 documentation ready for consent, we will forward a copy of these on to you and [redacted] for your review and arrange a suitable time for a builder to visit the property and provide a price to complete the reinstatement works. Once we receive the builder price for the reinstatement works we will be in a position to discuss the settlement of the claim.

Following Dean leaving Southern Response, your new Claim Specialist is Samantha Groves

Samantha.groves@southernresponse.co.nz

Samantha will follow up with you in a couple of weeks to confirm a timeline to when we will receive the completed design works.

Have a lovely evening, again my apologies for the delay in providing my review.

The following day I responded to April Smith with the following comments:

I have read your "entire review of the claims management" and find it so full of misinformation that it's hard to believe it's not intentional lies. This combined with your "summary" that attempts to silence me, forcefully end the DRA stage, and make me wait two weeks for a message from Samantha has left me very distracted and emotionally distressed.

First, the DRA phase has not ended. This is because we have not been provided with a DRA. The DRA you mention from 2016 was invalidated by Southern Response in the in-person meeting in January 2017. The email you mention from Jonathan Wroth from 30 January confirms this. We have been waiting 8 months for the updated DRA.

Second, you still haven't answered the question I asked Dean 22 days ago, but I can see you will continue to make every effort not to answer it as Dean did.

In your "entire review" you quoted a lot of things, but you failed to mention these two items from the MBIE guidelines.

"Where foundation damage has occurred and there is a strong preference or reason to retain heavy claddings or roofing materials, then **the foundations will need to be upgraded**."

"Heavier weight construction materials are however not precluded, and could still be used where supported by appropriate engineering advice and careful design of ground improvement **or deep pile systems**."

I did not hear from April Smith after this email. I did hear from Samantha Groves who told me that there was progress on the claim, but as can be seen in the next communications Southern Response still hadn't given up on forcing the light weight cladding on us until more than a month after my email to April Smith.

On 30 October 2017 Samantha Groves wrote to Jon Wroth asking him to speak to the engineers again.

Hi Jon

As per our discussion can I please get you to proceed with getting the engineers to review and update their strategy in regards to putting back the heavy weight cladding.

Thanks, Sam

Several weeks later on 16 November 2017 Jon Wroth contacted the structural engineers forwarding the above message from Samantha Groves.

We have now concluded our efforts to secure a light(er)weight alternative cladding acceptable to the homeowner for the overpin relevelling Methodology we have in place for this claim, and you will see below that SR have already requested that we approach you to confirm the alternative Methodology for relevelling the floor whilst retaining the existing cladding (which is, as you're aware, by and large, undamaged).

Note that Jon Wroth states "the alternative Methodology" as if it has already been discussed. The Option in reference here is the inappropriate methodology Option C, as we'll see later.

On 29 November 2017 when Jon Wroth was asked if any assistance could be provided by another Arrow International staff member he provided this response.

> Hi Vince - I had to refer this back to the Structural Engineer to confirm the alternative repairs to foundation whilst retaining the stone cladding. The alternative is provided in their report but I need them to confirm this is the preferred Methodology.

However, at this point there is no updated report, and therefore there is no alternative in the structural engineering report except for Option B. But as we'll see Jon Wroth was referring to the inappropriate Option C.

On 1 December 2017 Jon Wroth wrote to the geotechnical engineers. In this communication Jon Wroth does not request an updated report, only a comment, and avoids specifically mentioning the valid full foundation approach vs the invalid perimeter only approach. However, the wording appears to indicate that Jon Wroth accepted the geotechnical advice that the perimeter only screw piles option is invalid and that Southern Response is enquiring about full foundation screw piles.

> We have reached the stage with this claim where SR have instructed Arrow to seek a repair methodology for the foundation which allows the retention of the existing heavy cladding (which is, by and large, undamaged), having established that we are not in a position to replace the cladding with a lighter alternative following the currently proposed overpin relevel.
> You will note in the correspondence below, that Harrison Grierson advised they didn't see a problem with employing a permanent screw pile system to underpin relevel, as an alternative to overpin / Jack& Pack
> Could you please comment on the suitability of this proposal for revising the Methodology, from a Geotechnical Perspective.

The statements that are being asked to be commented on are from a 4 August 2017 email, to which Jon Wroth had already been told on 30 August 2017 that if heavyweight cladding were to be retained then full foundation screw piles would be required:

> Should it transpire that the existing heavy weight cladding be retained could the perimeter beam be re-levelled by using permanent screw piles which my understanding would mean that the foundation would then bear below the layer of peat and as such could be considered foundation upgrade to allow heavy cladding to be retained, (table 14.1 MBIE). - From a structural perspective we see no problems with this repair option, however this would need to be discussed with ENGEO. The call on whether this is considered a foundation upgrade would be a policy question.

In response on 1 December 2017 ENGEO provides this simple comment.

> This would depend if they are permanent or temporary screw piles. If they are permanent then they will have to meet the pile design requirements outlined in our revised report dated 8th of March 2017.

Going with Jon Wroths statement that he was going with the screw pile methodology that supports heavy cladding (full foundation screw piles) then just making this one distinction between permanent and temporary makes sense.

On 5 December 2017 Jon Wroth wrote to the structural engineer asking him to provide an updated report based on that comment, note again that Jon Wroth does not indicate full foundation versus perimeter only screw piles. Jon Wroth knows that perimeter only is invalid, but doesn't make this clear to the structural engineer.

> Now that we have established it would be feasible to provide a repair Methodology which allows retention of the heavy weight cladding, and re-levelling the foundation by the introduction of a **permanent** screw pile system, could we please have the Engineering report (attached) updated with an "option C" to detail this solution, with reference to Engeo's revised report dated 08 March 2017 (attached) which Jacinta has advised below, recommends the Design Criteria.
> If you could give an indication of your timeline for return, that would also be helpful.

On 22 January 2018 Harrison Grierson provided Jon Wroth an updated report that is based on perimeter only screw piles, which ENGEO said was not appropriate. The email with the updated report simply states:

> With regards the above site, please find attached our revised Scoping Report which now includes an option for the re-levelling of the dwelling using screw piles while retaining the heavyweight cladding.

Jon Wroth then presents this report to Southern Response who then provides the report to me.

Is this a crime?

Crimes Act 1961 Section 240(2)(a): causing a loss by deception where a false representation is made where either it is known to be false, or the person is reckless as to whether it is false.

- Southern Response trying to pay out for a cheaper repair option that isn't appropriate would appear to be causing a loss to me.
- The repair methodology is certainly false since the geotechnical engineers said it was not appropriate.
- Was it known to be false, reckless or a simple mistake? Well, Jon Wroth had been told that it wasn't appropriate, and as we saw in the previous section Southern Response management approved of staff lying to claimants, but there is additional evidence that this was intentional deception by Southern Response.

Evidence of Known to be False

On 25 January 2018, the day before we were supplied with the false report, the agency responsible for house levelling asked this question:

> Morning Jon, thanks for sending the info through . I would just like to confirm what I'm am pricing as the Harison Greirson plans shows two options.
> I will be quoting on and asking our engineer the possibility of providing a ps1 for the re- leveling of existing foundations off of screw piles and a standard jack and pack off of all other existing internal piles- Is that correct? cheers Paul

This is specifically about what to do with the internal piles; which Jon Wroth was told could not be jack and packed, but instead must also be screw piles.

Despite this, later on 25 January 2018 Jon Wroth responds with:

> Hi Paul- Yes that's what we're looking for. Obviously the internal jack and pack would need to happen in conjunction with the screw pile underpin re-levelling of the ring beam.
> I've attached the relevant parts of the DRA now updated to reflect the latest repair solution from the Structural Engineer.

Skipping all the way to 19 March 2018 with Jon Wroth having been trying to progress the claim settlement based on the false repair methodology the structural engineers sent this message:

> With regards the above and following your Aconex, we note that Stage 2 information was originally provided back in December 2016, however, we need these documents updated to suit the preferred repair strategy. We cannot provide a Scope of Service until we have received the updated documents.
>
> As previously discussed, the confirmation for the replacement of the internal piles will need to come from ENGEO.

This communication is the structural engineer saying that he is unwilling to proceed further with Option C unless the geotechnical engineers are also involved.

From this statement it appears that Jon Wroth was unwilling to engage with the geotechnical engineers for clarity before this point, despite having been asked to.

On 29 March 2018 Jon Wroth actually writes to the geotechnical engineers, but states:

> Please can you assist us in confirming the finalised Design criteria for a relevellable screw pile system on this long running claim?
> HG have suggested that it will be necessary to consider replacement of <u>all</u> the internal piles with a screw pile system to the same bearing depth as those proposed around the perimeter.
> If you could comment on this and revise your report to fully reflect the recommendations for a screw pile system, we can pass this to HG so they can confirm (as stated below) a fee proposal for the Detailed Engineering Design

In this communication Jon Wroth is saying that it is the structural engineer who informed him that all piles need to be screw piles, even though Jon Wroth had received this information and communicated it to Southern Response 6 months earlier.

The geotechnical engineer did not respond to this email.

On 6 April 2018 Jon Wroth followed this up with another email changing the story from needing confirmation of the internal piles being screw piles to instead needing to know if the the internal screw piles need to be the same depth as the perimeter screw piles.

> Please could we have a response on this query?
> Simply looking for recommendation on whether internal piling system needs replacement with screw piles to same bearing depth as perimeter.
> We need to confirm this with the Specialist Contractor so he has the full scope to provide a Budget Costing and enable HG to move forward with Detailed Engineering Design.

On 11 April 2018 the geotechnical engineer decided to respond to both emails. Again it is made absolutely clear that perimeter only screw piles (Option C) is not appropriate and a valid methodology would have to be full foundation screw piles.

> It would not be geotechnically appropriate to screw pile the perimeter beam without addressing the differential performance of the internal piles.
> The problem with only screw piling the perimeter beam foundation is that in future seismic events we expect vertical settlement to occur. Therefore, if the internal piles are founded within the shallow substrate they will settle with the shallower ground profile whilst settlement of the the screw piled perimeter beam is predicted to be negligible. This will cause sagging of the internal floor.
>
> We recommend that either the entire foundation system is screw piled to the same depth or the foundation system is design so it will span between the screw piles in cases of loss of support.

Later that day on 11 April 2018 Jon Wroth wrote an internal email asking what the next steps should be in getting the structural engineer to progress with the detailed design given that the geotechnical engineer said the perimeter only screw piles methodology was not appropriate.

> Hi Paul,
> Can you suggest our next move on this? Has [redacted] provided enough comment here to revert to HG for D/D to be procured?
> [redacted] sent this through a week or so back:
> With regards the above and following your Aconex, we note that Stage 2 information was originally provided back in December 2016, however, we need these documents updated to suit the preferred repair strategy. We cannot provide a Scope of Service until we have received the updated documents.
> As previously discussed, the confirmation for the replacement of the internal piles will need to come from ENGEO.
> Trust that this is satisfactory.
> Regards
> Jon

The next day on 12 April 2018 Jon Wroth wrote to the geotechnical engineer to ask for the additional details to continue progressing with Option C, not with the full foundation screw pile methodology as implied in this email.

> Thanks for your response.
> Could we now request that you provide recommendations for screw pile size and depth, so that we can pass the information on to the Specialist Contractor who will be providing the Engineering Design Scheme and PS1.
>
> Regards
> Jon.

On 16 April 2018 the geotechnical engineer responded stating that the pile recommendations were provided as part of Option B, and if Jon Wroth wanted the words "screw piles" to appear in the report.

> We have provided pile recommendations for new foundations in our report dated 8th of March 2017. Do you need us to revise the report to specifically mention repairing using screw piles?

On 18 April 2018 Jon Wroth replied to the geotechnical engineer saying yes, but also stating that it relates to perimeter only screw piles, which the geotechnical engineer had reminded him 7 days earlier was not appropriate.

> Yes, please update the report to include reference to a perimeter screw pile system also including the internal piles required to maintain the uniform bearing levels.
> Regards
> Jon

On 23 April 2018 Jon Wroth wrote back to the structural engineer specifically saying that the geotechnical report is in support of perimeter only screw piles (Option C) despite Jon Wroth knowing that perimeter only screw piles were not appropriate.

> Further to your message below we have now received an updated Geotechnical report from Engeo which includes the recommendations for foundation replacement to support option C Screw Pile System.
>
> Can you please now confirm your scope of service, and indicate a timeline for return of full detailed Engineering Package for this claim.

On 2 May 2018 the structural engineer responded stating that the work would proceed once payment had been made, despite the information being for an invalid repair methodology.

> Good afternoon Jon,
>
> With regards the above, please find attached our Scope of Service form.
>
> Can you please review and confirm acceptance. Please be aware, we will not commence any Detailed Engineering work until acceptance of this has been received.
>
> Trust that this is satisfactory.

On 11 May 2018 there was a sudden change in plan and all of the deceptive actions undertaken by Southern Response and its agents were explicitly reversed in an email from Jon Wroth to the house levelling experts. Not only is this a reversal, it also contains an explicit statement that the full foundation screw piles methodology is not the same thing as Option C.

> Following further discussion with Senior Management this morning I am now instructed to engage you in providing a quotation and full Engineering Design Documentation (PS1) to provide a permanent screw pile system to the whole foundation generally in accordance with Option C on Harrison Grierson's Scoping
>
> Report (previously supplied) together with the recommendations in Engeo's Geotechnical update (attached herewith).
> I will request a Purchase Order for you to proceed, which will be sent through shortly.
> Could I request that you give me as soon as possible, a draft Methodology for the works giving an indication of the Consequential damage likely to occur to the dwelling's superstructure, so that I can update the DRA accordingly?.
>
> Kind Regards
> Jon.

What made Senior Management decide to change their minds about the deceptive path that they were on is not something I have found documented evidence of. However while all these lies were being formulated I was exchanging emails with Samantha Groves of Southern Response and one on 10 April 2018 included these statements from me:

> In relation to the suitability of screw piles. Can you please point out the parts of the MBIE guidelines that indicate screw piles are suitable for TC3 land other than use a as a deep pile. Additionally, please explain the differences between the proposed Option C and the process described in Figure A1.2 of the MBIE guidelines, which is a remediation method for TC1 and TC2 land.
>
> In relation to the suitability of Table 7.2 to this claim, please refer to Figure 14.1 of MBIE Guidelines. Irregardless of applicability the remediation of all cases require the removal of heavy cladding and/or roofing, or a foundation rebuild. The technical reports indicate that the the perimeter beam is unsuitable for the ground conditions of the property, and therefore the only option available to Southern response, as per the MBIE guidelines, is a foundation rebuild. This is exactly the recommendation made to Southern Response by the engineering experts in April 2017 with their sole recommendation of Option B.

It wasn't until 10 May 2018 that Samantha Groves responded to the email (that being the day before Jon Wroth's email requesting an honest PS1 to be created. That email from Samantha Groves included this statement about management being involved in addressing my concerns:

> Apologises for the delay in response, some of the questions that you were asking required technical input. Please note that 3 of the questions that you have asked I am unable to provide an answer to at this stage as I am waiting for technical input. This is being actively followed up and the matter has been raised with my direct manager.

The response also included this interesting misinterpretation of what was happening behind the scenes at Southern Response:

> Why did Southern Response try to proceed to detailed design when you personally have been aware for 6 months, and Southern Response for over 15 months that we have not been provided with a DRA? Due to the complexities of the proposed repair strategy and in order to finalise our DRA we required detailed engineering (Structural and Geotechnical).

There were no complexities to the repair strategy, remembering that Samantha Groves stated that Option B is always included with claims. Instead the lengths that Southern Response and their agents were willing to go through to deceive us was complex.

As one final example of the length of deception here, we have seen above that Option C is not recognised as being valid, but I provide here a quote from Wayne Hurrell, Claims Specialist at Southern Response stating that Option C is still valid, despite the email being more than two months after Jon Wroth's email requesting an end to the pursuit of Option C.

On 17 August 2018 Wayne Hurrell wrote:

> [redacted] - ***"Instead, Southern Response deliberated until August (having received option B in April) and then proceeded to lie to us that there did not exist any repair strategies that supported heavy cladding. (Because option A is inappropriate, and the existence of option B was being hidden from us.)"***
>
> *SR* **-** As mentioned above, it was never Southern Response's intention to hide or direct your attention away from Option B. We apologise for any communications that were made with you that suggested that there were no options available to support heavyweight cladding. The current position is that Option A1, Option B and Option C all support heavyweight cladding.
>
> [redacted]***– "If this is true then why was option C dismissed by both HG and ENGEO? Why did*** [redacted] ***not "take too well" to the idea? Why did*** [redacted] ***state that "it would not be geotechnically appropriate"?***
>
> *SR* **-** We have reviewed our files and cannot find the statements you refer to. It would be helpful if you could forward copies of these communications so that we can address them appropriately.

Note that this email is dated after Anythony Honeybone's first 3 apology emails and yet Southern Response staff are still deceiving us.

Summary

Anothony Honeybone apologised for a one week deadline not being "reasonable" when Southern Response knew that Option C was invalid. Southern Response gave me a one week deadline, but took 15 weeks themselves to finally abandon this invalid repair methodology, however they kept lying to us.

It's clear that the geotechnical engineers received communication that Jon Wroth was moving forward with a repair methodology that they had said was not appropriate. The structural engineers appeared to be aware of the deception as well. What we do not have is a definitive date of when they knew they were involving themselves in crimes.

Despite internal communication that they were abandoning the inappropriate Option C months earlier, and that I had seen the evidence and was quoting the documents, Southern Response were continuing to deceive us by stating that it was still an appropriate repair methodology. Could this have been done in order to exacerbate the stress and frustration that Anthony Honeybone said he was apologetic for? In the next section we'll see some more direct evidence of intent to harm.

Personal medical circumstances

Included in the apology for the “deadline that was not appropriate” are references to my personal medical circumstances and the actions Southern Response took against me.

In this section we will look at potential violations of the Crimes Act sections 145 Criminal nuisance, and 188 Wounding with intent.

Our medical circumstances

I have a rare form of chronic cancer. That cancer causes blood clots. Those blood clots cause stretching and thinning of my veins. The thin veins can rupture and then I can bleed to death. It’s very important that I minimise the amount of stress that I experience.

As stated earlier my mum is also on the insurance policy, and she was diagnosed with stage 4 cancer early in the claims process. Despite not being physically located in New Zealand I assumed all responsibility for the claim in order to reduce the stress she was experiencing.

In the days after receiving the false repair methodology I suffered a bleeding event. In the days and weeks following my family and I were told that it was unlikely I would survive. However, thanks to many skilled emergency staff, ICU staff, and surgeons I did survive.

Response to dishonest methodology

After recovering enough to be able to send emails I informed Southern Response that I was in hospital and needed to reduce stress and that being given a false repair methodology was a definite contributor to my stress. I said that I wanted them to proceed with the repair methodology that they had hidden from us that allowed the retention of the existing cladding.

The contents of that email were:

> Hello Samantha,
>
> Apologies for not responding to you sooner. I'm currently in hospital because of a stress related complication. I think it's safe to say your last email has contributed to my stress.
>
> While Option C is a very creative solution, if you get your team to review it I think you'll discover that it is not actually an option.
>
> - it is in direct violation of the MBIE guidelines
> - it is not based on, or supported by any ENGEO report
> - it's suggesting something that goes against recommendations of the stated materials
>
> Considering I was only shown option B as a consequence of seeing option C, it sheds new light on all of the conversations had since August.
>
> I find it reassuring that the bully tactics used by Southern Response were finally acknowledged as inappropriate, at least internally. I do not find it acceptable that you have spent an additional 5 months trying to find a new way of getting out of your contractual obligations.

My ability to tolerate the lies and deception ended with my admittance to hospital.

Since option B was provided to you in March 2017, I expect things to proceed a lot swifter now; as going back through Dean's emails it's quite clear that a lot of work was already done in preparation for option B. Please respond as soon as you can that we are actually making progress with option B.

Kind regards,

Wounding with intent

On 15 February 2018, in response to that email, at least 3 Southern Response staff decided that it was a good idea to say that I didn't want to keep the existing cladding and that a 5 working day deadline was an appropriate amount of time for someone in hospital to respond to their email and provide technical details on why the repair methodology was false.

From internal documents it appears that Fiona Paton, Claims Settlement Manager and manager of Samantha Groves at Southern Response, was the person responsible for the wording of the email. Fiona Paton sent the draft to Samantha Groves who would have read the email and decided that the words chosen by her manager were completely appropriate to send, because it was sent. Jade McArthur was also included in the email. Jade McArthur was working as a Customer Liaison Advisor who is supposed to support vulnerable customers.

Of the first 5 paragraphs of Southern Response's response 4 of them can be found in Appendix B as they are just lies about engineering recommendations. However, paragraph 3 is relevant to this section since Southern Response declined to check their own records and instead asks us to provide evidence of the invalid repair methodology.

Could you please clarify further why you believe option C is not actually an option and why it is in direct violation of the MBIE guidelines as well clarify your comment regarding why it goes against recommendations of the stated materials

The email ends with these statements:

From reading your email it appears that you no longer whish for Southern Response to proceed with retaining the summer hill if this is correct please let us know by the 21st of February.

If we do not hear from you by the 21st then Southern Response will have no option but to proceed back to policy and proceed to detailed design based on the option A repair strategy.

Kind Regards

Sam Groves

I have not been able to find anything in my email to Southern Response that would indicate that I did not wish to retain the existing cladding. I asked for progress on the only valid option that allowed retention of the existing cladding.

Additionally there is no reason given for why Southern Response would “have no option but to proceed back to policy and proceed” with the cheapest repair methodology and that goes against our rights.

Response to intent to harm

I have been told my response to the deadline on 16 February 2018 was way too polite given the nature of the message I had just received.

> Hello Samantha,
>
> How does me saying that you should proceed with option B (an option entirely about retaining the summerhill stone) indicate that I don't want to retain the summerhill stone? What sort of mad logic are you applying? Or is it false logic thrown in with more deadline threats as an intimidation tactic? You spent 10 months wasting time and give me a 1 week deadline while I'm in hospital. Or did you expect [redacted] to respond while undoing chemotherapy? I hope you fully comprehend how horrible a person this makes you.
>
> I want to retain the summerhill stone.
>
> The HG report, when referring to option C, mentions section 10 of the ENGEO report. Are we both in agreement that this is the "New Foundations" section of the ENGEO report?
>
> Regards,

It was Jade McArthur that responded later on 16 February 2018 saying:

> It is prudent for you to see that Sam is simply an employee fulfilling the role of a claims specialist and does not deserve to be personally attacked.

The rest of the email was lies about engineering advice and requests for me to have a phone call so that I could be convinced to give in to their coercion.

I responded later on 16 February 2018 with “Claiming ones actions are just part of their job doesn't make those actions any less inhumane.”

Victim Blaming

Two weeks later on 2 March 2018 I received an email from Fiona Paton stating:

> Southern Response take personal attacks on our people very seriously. Specifically your communication to Samantha on February 16th 2018 in which you wrote "hope you fully comprehend how horrible a person this makes you" and "Claiming ones actions are just part of their job doesn't make those actions any less inhumane" We do not tolerate any of our people being subjected to this type of inappropriate communication and request that future correspondence that you send Southern Response refrains from personal attacks and remains professional.

After being told that I was in hospital and needed to reduce stress Southern Response appears to have committed crimes by having reiterated false engineering advice, claimed I didn't want to retain the cladding, and gave me a one week deadline to respond while in hospital and according to Fiona Patton I'm the person that did not act professionally.

In Anothy Honeybone's apology he does mention taking corrective actions against staff. However, it seems the message didn't make it to all the staff.

On 1 March 2019 Emma Brown, Claim Settlement Manager for Southern Response, made a submission to the Dispute Resolution Scheme in response to a complaint that I filed. In that submission there is a section where Southern Response defends its actions as being "fair" and it is stated:

> 63. On 14 February 2018 [redacted] said he was in hospital with a stress related complication.[49] Contrary to what is stated in the complaint form, Southern Response does not believe it was ever informed that [redacted] had cancer until receiving the IFSO complaint.

In the complaint form I did not state that Southern Response knew I had cancer, only that they knew I was in hospital. Southern Response appears to indicate here that the actions taken by those 3 staff members were fair for everyone except those who explicitly say they have cancer, even if they do say they are in hospital. This also disregards the fact that Southern Response did have on record that my mum (the second claim holder) does have cancer.

Summary

Southern Response staff lying to claimants and using their medical situations to apply pressure to settle a claim is "simply an employee fulfilling the role of a claims specialist".

Expressing dissatisfaction with that is "personally attacking staff".

Criminal nuisance is every one who does any unlawful act or omits to discharge any legal duty, such act or omission being one which he or she knew would endanger the lives, safety, or health of the public, or the life, safety, or health of any individual.

Wounding with intent is everyone who, with intent to injure anyone, or with reckless disregard for the safety of others, wounds, maims, disfigures, or causes grievous bodily harm to any person. Knowing that I have a medical condition and knowing that the medical condition is made worse through stress, the intentional creation of stress in order to cause physical harm to me appears to be another crime committed by Southern Response staff.

Anthony Honeybone said that length of the deadline was not appropriate, not that any deadline was inappropriate. Given that Anthony Honeybone gave permission for staff to lie to us in August 2017 it shouldn't be a surprise that Anthony Honeybone protected his staff and set forth a path for them to continue to commit crimes against us, as we will see in the next section.

Clear next steps for your claim

On 10 August 2018 Anthony Honeybone said that Southern Response had provided me with “a settlement path moving forward and set out clear next steps for your claim”. However it was a week later, in an email from Wayne Hurrell on 17 August 2018, that we learned this “clear path” was to continue to lie to us and say that we must accept Option A. It was on 22 August 2018 that I informed Southern Response that the claim should be put on hold and that I was filing a complaint with the Dispute Resolution Scheme.

Earlier in this document we have seen that Southern Response management encouraged staff to lie, and we have seen the engineers proceed with methodologies that they had said were not appropriate. So instead of covering more examples of that behaviour in detail this section will deal with Southern Response staff committing fraud in preparation for handing over documents to the Dispute Resolution Scheme about the validity of Option D (which is Option A but “supports heavy cladding”). Later sections will cover the additional crimes of deception committed by Southern Response staff during this time.

The return of Option A

On 11 May 2018 Jon Wroth wrote to House Levellers telling them to stop work on Option C and instead start work on documents that were based on full foundation screw piles.

> Following further discussion with Senior Management this morning I am now instructed to engage you in providing a quotation and full Engineering Design Documentation (PS1) to provide a permanent screw pile system to the whole foundation generally in accordance with Option C on Harrison Grierson's Scoping
>
> Report (previously supplied) together with the recommendations in Engeo's Geotechnical update (attached herewith).
> I will request a Purchase Order for you to proceed, which will be sent through shortly.
> Could I request that you give me as soon as possible, a draft Methodology for the works giving an indication of the Consequential damage likely to occur to the dwelling's superstructure, so that I can update the DRA accordingly?.
>
> Kind Regards
> Jon.

However, sometime before 6 July 2018 Jon Wroth was replaced with Matthew Tracey who appears to have been even more willing to commit crimes than Jon Wroth as we will see below. Matthew Tracey was a member of Building Officials Institute of New Zealand and therefore bound by their Code of Ethics.[16]

[16] Building Officials Institute of New Zealand (BOINZ) Code of Ethics - https://www.boinz.org.nz/Site/about-us/code-of-ethics.aspx

On 6 July 2018 Matthew Tracey wrote to House Levellers instructing them to stop work on the full foundation screw piles and instead begin working on Option A again, including replacing the existing cladding with an alternative.

> Please put your engineer's on hold with regard to the previous request made in May, we are happy to pay any reasonable costs that have been incurred.
>
> Please could you provide a quotation (including PS1 costs) at your earliest opportunity for the relevelling methodology we discussed being a monotop to the perimeter ring foundation, jack and pack of the internal piles and an allowance to replace 2 No. piles with essentially an NZS3604 pile design but with a wider concrete footing.
>
> Following our meeting I have reviewed the rover report and did not note any piles that appeared to be out of alignment, hence an allowance of just two piles to be replaced within your quotation. Reviewing the Rover report I noted that the bearers sit on blocks sat on the perimeter foundation, would the monotop strategy still be applicable or would this be altered to packing of these items as well. I assume the summerhill stone would still need to be removed and replaced in which case the new veneer could take account of any packing undertaken beneath the bearers. If you could amend your proposed repair strategy as you see fit.
>
> If you could provide your quotation at your earliest opportunity, any questions or queries please do not hesitate to contact me.

If you recall the email from 19 March 2018 from Harrison Grierson to Jon Wroth, it was stated “As previously discussed, the confirmation for the replacement of the internal piles will need to come from ENGEO.” However, in the email above Matthew Tracey made a determination about the repair methodology and internal piles without input from either the Geotechnical or Structural engineers.

Note that the engineers involved in this claim are likely to be held accountable to the Engineering New Zealand Code of Ethics. [17]

[17] Engineering New Zealand Code of Ethics - https://www.engineeringnz.org/engineer-tools/ethics-rules-standards/code-ethical-conduct/

On 18 July 2018 Matthew Tracey was in communication with an engineer at ENGEO. However, instead of contacting the engineer who had been working on the claim for over 2 years and wrote all of the documents provided from ENGEO about the claim, he instead communicated with Jed Watts.

From: J Watts
Sent: 18/07/2018 2:45:08 PM NZST (GMT +12:00)
To: Matthew Tracey
Cc: Wayne Hurrell
Mail Number: GCNZ-PROJCOM-014995
Subject: Re: Engeo response to heavyweight cladding query

Thanks Matthew, and on Aconex for completeness.

We have requested to comment on the requirement to replace the heavy-weight cladding from a geotechnical perspective. In Section 9 of our Geotechnical Investigation report dated 20 April 2018, we provided the following recommendations regarding the heavy cladding: *"To limit future static settlement, we recommend the repair methodology be designed so that no additional loads are added to the structure as additional structure weight will increase the stress applied to the compressible organic soils and thereby increase the static settlement potential for the dwelling. Additionally, if possible, it would be beneficial to lighten the structure by replacing the existing heavy cladding with lighter weight material."*

We also provided the following recommendations in Section 9 regarding a shallow relevel: *"The current proposed repair methodology of packing off the top of the perimeter beam and top of piles doesn't require the soils to be disturbed and adds very little to no additional load on the underlying soils. Accordingly, this methodology is deemed appropriate from a geotechnical perspective for this site."*

In summary, from a geotechnical perspective, we believe that the heavy weight cladding can be reinstated assuming that the load imposed on the foundation by the repairs does not exceed what it was prior to the repairs.

Please let me know if there are any comments or queries.
Thanks,
Jed Watts
Engineering Geologist
ENGEO

First note that Jed Watts said the words are from the 20 April 2018 report implying that it's new information, however the statements are instead from the 20 July 2016 report. The words existed for 2 years and never once did the author of those words indicate that Option A supported retaining the existing cladding, even when asked to provide options for supporting the existing cladding.

Remember that in 2016 Southern Response "made clear" that the engineers should exclude specific options that Southern Response didn't want us to be aware of, which may account for the "it would be beneficial" statement.

Remember again that on 4 August 2017 Dean Serra was aware that retaining the existing cladding would require a foundation upgrade. Option A is not a foundation upgrade.

I would like to point out that it is at this point in time, 20 July 2018 to 10 August 2018, that we were receiving the emails of apology from Anthony Honybone. Anthony Honeybone's assurance that we would be treated fairly and that clear next steps were being put in place was simply to try, yet again, to force us to accept Option A.

On 17 August 2018 Wayne Hurrell wrote to me to address additional questions that I was asking. In this email he states that what came to be referred to as Option D, is in fact Option A. Wayne Hurrell refers to Option D as Option A1 in the email.

> *SR* - Southern Response has sought clarification from the experts that Option A is suitable for heavyweight cladding. This is what we have referred to as Option A1. There is nothing dishonest here. As communicated to you Southern Response recently convened a meeting with the geotechnical and structural engineers to confirm that Option A is appropriate for heavyweight cladding (i.e. Option A1). We have also provided you correspondence from these engineers to support this position.

And:

> *SR* - At this time, after undertaking an extensive review of the engineering information available, the position of Southern Response is that the appropriate policy response for your house is either, the foundation repair methodology Option A1 with detail provided by House Levellers:
>
> - The jack and pack of all pile and foundation connections
> - The reconnection of all ring foundation by Stainless Steel angle brackets
> - The reconnection of all piles to meet the building code
> - The mono topping of the ring foundation to a level surface of approximately 50 mm thick
> - The installation of the Summerhill Stone veneer
>
> Or, the foundation repair methodology Option A:
>
> - The jack and pack of all pile and foundation connections
> - The reconnection of all ring foundation by Stainless Steel angle brackets
> - The reconnection of all piles to meet the building code
> - The mono topping of the ring foundation to a level surface of approximately 50 mm thick
> - The installation of lightweight cladding
>
> To clarify, Southern Response is prepared to provide for either.

Three days later on 20 August 2018 a PS1 document was signed by Nicholas Calvert representing Kirk Roberts Consulting Engineers Ltd, where it is claimed that he received the consent of the owner (me) to file the paperwork, but instead the owner is listed as House Levellers.

IPENZ ENGINEERS NEW ZEALAND — NEW ZEALAND INSTITUTE OF ARCHITECTS INCORPORATED — ACENZ

Building Code Clause(s) B1/VM1 [redacted]

PRODUCER STATEMENT – PS1 – DESIGN

ISSUE: A

(Guidance notes on the use of this form are printed on page 3)

ISSUED BY: KIRK ROBERTS CONSULTING ENGINEERS LTD. *(Construction Review Firm)* **PROJECT NO: 1810280**

TO: House Levellers *(Owner/Developer)*

TO BE SUPPLIED TO: Christchurch City Council *(Building Consent Authority)*

IN RESPECT OF: Bearer connections to piles and perimeter concrete foundations. (Description of Building Work)

AT: [redacted] (Address)

LOT [redacted]

We have been engaged by the owner/developer referred to above to provide **Structural Engineering Design** services in respect of the requirements of Clause(s) **B1/VM1** of the Building Code for
All ☐ or Part only☒ (as specified in the attachment to this statement), of the proposed building work.

The design carried out by us has been prepared in accordance with:
☒ Compliance Documents issued by the Ministry of Business, Innovation & Employment **B1/VM1** or (verification method / acceptable solution)
☐ Alternative solution as per the attached schedule

[… middle section removed]

I believe on reasonable grounds that a) the building, if constructed in accordance with the drawings, specifications, and other documents provided or listed in the attached schedule, will comply with the relevant provisions of the Building Code and that b), the persons who have undertaken the design have the necessary competency to do so.
I also recommend the following level of construction monitoring/observation:
☐CM1 ☐CM2 ☒CM3 ☐CM4 ☐CM5 (Engineering Categories) or ☐ as per agreement with owner/developer (Architectural)

I, **Nicholas M Calvert** *(Name of Design Professional)* am: ☒CPEng No. 242062
☐Reg Arch ....#

I am a Member of: : ☒ IPENZ ☐NZIA and hold the following qualifications: **B.E. (Hons), CPEng, MIPENZ**
The Design Firm issuing this statement holds a current policy of Professional Indemnity Insurance no less than 200,000*.
The Design Firm is a member of ACENZ: ☒

SIGNED BY **Nicholas Calvert** ON BEHALF OF **Kirk Roberts Consulting Engineers Ltd.** (Design Firm)

Date: 20/08/2018 Signature:

Note: This statement shall only be relied upon by the Building Consent Authority named above. Liability under this statement accrues to the Design Firm only. The total maximum amount of damages payable arising from this statement and all other statements provided to the Building Consent Authority in relation to this building work, whether in contract, tort or otherwise (including negligence), is limited to the sum of $200,000.*

This form is to accompany **Form 2 of the Building (Forms) Regulations 2004** for the application of a Building Consent.

PRODUCER STATEMENT PS1 October 2013

On 24 August 2018 Matthew Tracey sent an email to Wayne Hurrell confirming that he had received confirmation from a Consent Team Leader at Christchurch City Council that no further information about the inappropriate repair methodology would be required and that it would pass consent as long as the plans mentioned the existing cladding.

> This Aconex is confirmation of a discussion held between myself and Andrew Buckley.
>
> Andrew Buckley had a telephone conversation with a Consent Team Leader from Christchurch City Council. Christchurch City Council would accept the re-use of summerhill stone external wall cladding if this was documented on the consented plans, they would not require any further information.
>
> I trust the above is enough for us to move forward with this proposed strategy, if not please contact me.
>
> I shall now send out the detailed engineering, D.R.A etc to the designer to complete the detailed design documentation. I shall also send all current documentation to the builder so the builder can start reviewing and providing feedback before moving towards pricing.
>
> Any questions or queries on the above please do not hesitate to contact me.

Why was there a PS1 stating that I was not the owner of the house? Why did Matthew Tracey think it necessary to get confirmation that the documents submitted, including the PS1, would not get scrutinised by the Consent Team? Why would a Consent Team Leader agree to not ensuring that submitted documents were valid?

Well, further in the PS1, on the calculation sheet regarding the releveling design it says that the agreement for the relevel is that the existing cladding would be replaced.

> TITLE:
> DESIGN NOTES:
> DATE: 17/08/18
> DESIGNER: RL
>
> Relevelling Design
>
> - Single storey house, type B2 foundation.
> - Brick veneer to be replaced. Corrugate iron roof.
> - [illegible]

As discussed above on 6 July 2018 Matthew Tracey told Paul Dabner to provide a quote for a house relevel with the replacement of the veneer. I don't know if Paul Dabner originates from the United States, but the quotation could be dated 7 June 2018 or 6 July 2018. In either case the quotation dated 10 June 2019 also says that it was agreed that the existing veneer would be replaced.

HOUSE LEVELLERS

RE-LEVELLING - SLAB ON GRADE - FOUNDATION REPLACEMENT www.houselevellers.co.nz

PAUL DABNER BUILDERS LTD – TRADING AS HOUSE LEVELLERS

Date 7/6/18

Address [redacted]

To- Arrow international

Att- Mathew Tracey

Based on the re-levelling of the above dwelling as per the recommendations outline in the Engeo report supplied we submit our contract price of

[redacted]

We have allowed for the following work.

1. The jack and pack of all pile and foundation connections
2. The reconnection of all ring foundation by Stainless Steel angle brackets
3. The reconnection of all piles to meet the building code
4. The mono topping of the ring foundation to a level surface for the installation of new veneer
5. The supply of and engineers PS1

We have not allowed for the following.

1. The installation of any exterior building wrap or bracing once veneer removed
2. The removal of any liquefaction, asbestos or black mould that may be present.
3. Replacement of any exterior or interior veneers or linings Note – levelling of dwelling is based on the removal of all exterior veneer prior to the levelling works commencing

These are the exact opposite of what Southern Response was told to submit to Christchurch City Council by the Consent Team Lead. So in fact, Option D is not" Option A but it supports the existing cladding". Instead it is exactly Option A where the veneer must be replaced with a lightweight alternative and Southern Response was continuing to lie about it.

If you need more evidence, how about an email from Matthew Tracey to Kevin Phillips, Build Technical Advisor at Southern Response, providing a brochure of replacement bricks available at Firth, this one dated 18 July 2018.

Summerhill stone

From:	**Matthew Tracey**
To:	**Kevin Phillips <Kevin.Phillips@southernresponse.co.nz>**
Sent time:	**18 Jul, 2018 4:45:47 AM**
Attachments:	**Concept - Architect Masonry SOUTH ISLAND.pdf**

Hi Kevin

As discussed, attached is the firth brochure for summit stone, this was one of their designer bricks.

Please see link below to designer bricks currently available on their website.

http://www.firth.co.nz/residential/designer-bricks/

Kind Regards

Matthew Tracey
Project Manager
Arrow International (NZ) Ltd

M: +6421 311 370
6 Show Place, Christchurch, 8149
PO Box 9123
arrowinternational.co.nz

Since we've established that Option D is fraudulent, I will skip over the additional examples of communications showing Southern Response progressing with a repair methodology that I had not approved, nor even received a DRA for, and instead look at further direct examples of fraud.

Making things consistent

Despite claiming in July 2018 that they had full engineering support for Option A being appropriate for retaining the existing cladding, Southern Response did not actually ask for updated geotechnical and structural engineering reports until 11 February 2019. When required to get them Matthew Rennie, Project Manager for Arrow International called upon Jed Watts at ENGEO instead of the documented geotechnical engineer, Jacinta Morgan; just as Matthew Tracey had done previously.

From: M Rennie
Sent: 11/02/2019 10:44:34 AM NZDT (GMT +13:00)
To: Jed Watts, Allan Robertson
Cc: Nicola Baguley, Jasmine McKnight
Mail Number: ARI-PROJCOM-798668
Subject: Re: Engeo response to heavyweight cladding query, [redacted]

Hi Allen and Jed
In relation to the below agreed additional re-levelling option (Applying a grout topping to the perimeter beam of approximately 50 mm thick), can Harrison and Greisen and Engeo add an Addendum to there most recent report reflecting the additional re-levelling option.
If you have any question please let me know.
Regards
Matthew Rennie
Project Manager
Arrow International (NZ) Ltd.
184 St Asaph Street Christchurch Central, PO Box 9123, Tower Junction
Christchurch, 8149, New Zealand
Tel: 03 367 3800
Mob: 021-757-345

Less than two weeks after that email on 28 February 2019 Arrow International was placed into Administration and was no longer operating as a business.

When it came time for Southern Response to prepare documentation for the Dispute Resolution Scheme to show they had "resolved the claim" Emma Brown requested the alteration of, and made alterations to, documents related to the claim in order to cause loss by deception.

This can be seen in a string of emails under the subject "*Update wording in pricing *Urgent**" between Southern Response and Jeremy Parratt of J Parratt Builders Limited.

In this next email Emma Brown asks to alter the recipient of the document, and to remove the logos that would prove otherwise. Emma Brown describes this deception as a "formatting" change.

From: E Brown
Sent: 07/06/2019 9:18:07 AM AEST (GMT +10:00)
To: Jeremy Parratt
Cc: Aaron Martin
Mail Number: AMI Ins-FILN-035060
Subject: Re: Update wording in pricing *Urgent*

Hi Jeremy,

Apologies, but can I please ask one more thing from you regarding this one, just a couple of formatting matters;

1. Could you please arrange for the House Levellers quote to be readdressed to yourself OR to Southern Response (instead of the current "To - Arrow International ATT- Mathew Tracey"

2. If possible, would you be able to remove the Arrow Southern Response logo from your Builders Price?

No other changes required (ie, the dates can remain)

Thanks,
Emma

Jeremy Parratt confirms that the alterations were completed, but that the logos could not be removed.

From: J Parratt
Sent: 09/06/2019 8:16:17 PM AEST (GMT +10:00)
To: Emma Brown
Cc: Aaron Martin
Mail Number: JPBL-PROJCOM-001449
Subject: Re: Update wording in pricing *Urgent*

Hi Emma.

I'm just waiting on the House Relevellers. I cant seem to remove the Arrow sign off the DRA. It must be part of the template. Ive tried deleting the line. Its not on the excel version i ve been working off but always reappears when I save to PDF. You and Aaron are probablyh more tech sav then myself if you can try.

Regards
Jeremy

Emma Brown then asks for more alterations to the documents.

Thanks Jeremy,

We will leave the logo as is. Unless you have any objections though we intend to change the date under "Jeremy Parratt pricing" section on page 1to 10/06/19 so it is consistent the House levellers quote (the date on that has been updated to 10/06/19).

Can you please confirm that you are OK with this and if so update your records the same?

Emma

Having not received a response from Jeremy Parratt, Emma Brown then asks again that more changes be made to the document in order to provide "consistency and completeness". At this point Emma Brown also admits to forging the dates on the DRA provided by Arrow International. Emma Brown does not say what the dates are inconsistent with. Making the dates consistent with their lies is the only explanation I can think of. This appears to be yet another act of fraud committed by government employees.

> **From:** E Brown
> **Sent:** 11/06/2019 2:13:17 PM AEST (GMT +10:00)
> **To:** Jeremy Parratt
> **Mail Number:** AMI Ins-FILN-035079
> **Subject:** Re: Update wording in pricing *Urgent*
>
> Hi Jeremy,
>
> Sorry, but for consistency and completeness, can you please reissue your SFP, previously dated 05 June 2019, to todays date so that the house relevellers quote does not precede your formal price document (I have made the change to the detailed DRA document subject to your being OK with this).
>
> Thanks,
> Emma

From these emails we know the dates on the DRA (detailed repair analysis), House Levellers quote, and builders quote were all altered to be "consistent". We also know that the House Levellers quote was readdressed.

Altering documents with the intent to deceive in order to cause a financial loss is known as fraud. It is covered in the Crimes Act 1961 section 240.

These false dates are then quoted by Anthony Honeybone as being accurate in this 17 June 2019 letter to me.

When I later questioned Southern Response about the origins of the DRA with the false date, I was told by Veronica Cress, legal counsel for Southern Response that the DRA was created by Southern Response, despite evidence being presented to the contrary.

> **The date on which Southern Response "received" this DRA**
>
> You have asked for confirmation of *"the date that Southern Response was provided with DRA Revision: RFP Rev E BP … (provided to us on 17 June 2019)."*
>
> You will see from the cover page of the DRA (RFP Rev E BP) itself that it was:
>
> - issued by Southern Response on 31 May 2019; and
> - priced by Jeremy Parratt of J Parratt Builders as at 10 June 2019.

At this stage of this document you may be tempted to believe this was a mistake by Veronica Cress. However, later in this document we will cover a lot more of my communication with Veronica Cress and the extent to which deceit was used to coerce me into accepting what Southern Response was offering.

Summary

Anthony Honeybone summarised all of the above illegal actions by Southern Response as giving me a “settlement path moving forward and set out clear next steps for your claim”.

It should be quite clear that the next steps taken by Southern Response were to defraud and coerce until I accepted what they were willing to offer me, not what I am legally entitled to.

Anthony Honeybone said the apology isn’t sincere

I started the The *Apology Vs Reality* section of this document by stating that Southern Response staff have repeatedly told me to accept the apology is sincere. In the above sections I showed evidence of how the statements of apology by Anthony Honeybone were simply covering for criminal behaviour.

However, the fact that the apology is not sincere can be shown by Anthony Honeybone stating so to the Insurance Council of New Zealand (ICNZ) directly. Before we get to that letter I think it’s important to show the events leading to those statements being made, as there inconsistencies with statements made by ICNZ. Followup to these events are included in the section *The Dispute Resolution Process*.

Placing the claim on hold

On 22 August 2018, after continued lies by Wayne Hurrell, Claims Specialist at Southern Response, including that Option C was still valid I stated that the claim should be put on hold.

> Dear Mr Hurrell,
>
> At the end of your email you say that we need to work together to progress the claim. However the rest of the email demonstrates a continued lack of good faith by Southern Response.
>
> In the interest of both my and [redacted]'s health I believe we need a break from this mistreatment.
>
> I will be in contact again within the next 20 business days.
>
> Feel free to progress with Option B, otherwise consider this claim on hold.
>
> Regards,
>
> [redacted]

Filing the complaint against Southern Response

After many weeks of discussion with ICNZ on 13 September 2018 we are told when the next ICNZ Code Compliance Committee meeting is to take place, and the types of details that needed to be provided before then.

> Hi [redacted],
>
> We are looking at the possibility of referring this complaint to the Code Compliance Committee (CCC) but will need you to provide some more information. We appreciate everything you have sent through so far but were wondering if you could please provide a more summarised version of events linking the specific actions to the alleged breaches of the Code. For example, in your email below you said that one of the breaches is in relation to clause 31 of the Code – you have a right to access the information that we have relied on in evaluating your claim – could you please set out which behaviour in your dealings with Southern Response (SR) shows that this has been breached, and so on for the remainder of the alleged breaches.
>
> We will also need you to provide us with a privacy waiver so that we can speak with SR and put your concerns to them. If you are happy for us to do this, when you provide us with the summary of events and breaches, could you please also include a statement saying that you waive privacy for ICNZ to speak to SR about your claim, and provide us with the contact details of the person or people you have been in contact with at SR.
>
> Once we have this information we will speak to SR and make a decision about whether to refer the complaint to the CCC.
>
> Please note that if the complaint is referred to the CCC they do not next meet until 12 November 2018.
>
> Kind regards
>
> Jane Brown
> Legal Counsel
> Insurance Council of New Zealand

On 1 October 2018 it was agreed that we would provide all the required details by 29 October 2018.

On 26 October 2018 I provided the requested information and received this email from Jane Brown in response:

> Hi [redacted],
>
> Many thanks for sending this though – it looks very thorough.
>
> We will review and get back to you as soon as possible (it will be at least before the 5th of November as we will know by then whether we are including something about your complaint in the Code Compliance Committee's meeting papers).
>
> Kind regards
>
> Jane Brown
> Legal Counsel
> Insurance Council of New Zealand

On 1 November 2018 we received a communication from Jane Brown saying that ICNZ would not hear the complaint at the next Code Compliance Committee meeting.

> Hi [redacted],
>
> We have been in touch with Southern Response and received some preliminary information from them. Having seen Anthony Honeybone's email of 10 August where he says you can rely on the email as a letter of deadlock, we believe that the next best step for you would be to apply to IFSO to have your complaint considered.
>
> I apologise if this is not the course of action you were expecting, however we believe it is the best one to take. IFSO will hopefully be able to help you and Southern Response find a way to settle your complaint. If IFSO then find that Southern Response has committed significant breaches of the Code it will be reported to ICNZ and considered by the Code Compliance Committee.
>
> Please let me know if you have any questions.
>
> Kind regards
>
> Jane Brown
> Legal Counsel
> Insurance Council of New Zealand

Note here the words "IFSO will hopefully be able to help you and Southern Response find a way to settle your complaint." Here Jane Brown is indicating that I should engage in mediation instead of going forward with the complaint. The significance of this statement will become apparent before the summary of this section.

I responded the next day on 2 November 2018 to point out that the “deadlock” was known to ICNZ nearly 3 months earlier.

> Dear Ms Brown,
>
> The fact that Mr Honeybone said that my concerns were deadlocked was mentioned in my 13 August email to you. This is quoted below:
>
> ---
> Further information about my complaints and dealing with Southern Response Chief Executive Mr Anthony Honeybone, I received an email from him on Friday saying that my complaints should be considered deadlocked. This is despite the fact that it has not been two months, and the fact that his staff have continued to lie and have missed their own self made deadlines.
> ---
>
> May I ask what has changed between 13 August and now that makes the "deadlock" significant enough to potentially miss out on on the Code Compliance Committee’s next meeting?
>
> Kind regards,
>
> [redacted]

The response from Jane Brown on 5 November 2018 states that it wasn’t the deadlock, but instead a review of the agreement between the Dispute Resolution Scheme and ICNZ that means our complaint would not be heard.

> Hi [redacted],
>
> There has been further discussion and review of the agreement in place between ICNZ and IFSO, and the decision was made that due process ought to be followed in this instance. It is still possible for the Code Compliance Committee to consider the claim, but it will only be if IFSO finds that there has been a significant breaches (or multiple breaches) of the Code and reports as much to ICNZ.
>
> Kind regards
>
> Jane Brown
> Legal Counsel
> Insurance Council of New Zealand

Later on 5 November 2018 I responded that the Dispute Resolution Scheme couldn't hear our complaint because the value of the disputed amount was more than they were allowed to deal with.

> Dear Ms Brown,
>
> Thank you for your further explanation.
>
> In relation to the IFSO, they specify an "Applicable Monetary Limit" which is likely under the claim settlement amount (Southern Response has never provided us with a costing for Option B, but all inductors suggest that it would be higher than the limit).
>
> Given that this would exclude IFSO considering the complaint, and the fact that they originally told us that significant breaches of the FIC could be brought up directly with ICNZ; does this change the next steps with regard to the agreement between IFSO and ICNZ?
>
> Kind regards,
>
> [redacted]

Later on 5 November 2018 Jane Brown provided her final email to me before I made contact again after the Dispute Resolution Scheme decision in 2019.

> Hi [redacted],
>
> It would be best for you to approach IFSO and find out whether they are able to hear your claim. They do not appreciate others making jurisdiction decisions on their behalf so I don't want to make any judgment about whether they will or will not be able to consider it.
>
> Kind regards
>
> Jane Brown
> Legal Counsel
> Insurance Council of New Zealand

So after nearly 3 months of communicating with us indicating that the Code Compliance Committee might hear the complaint we are told that they would not, and ICNZ shouldn't have led us on saying they might because the Dispute Resolution Scheme wouldn't be happy with them doing so. However, ICNZ had led us on, collected the details of our complaint and gathered a privacy waiver so they could "speak with SR and put your concerns to them."

But more significantly Jane Brown explicitly stated on 5 November 2018 that "It is still possible for the Code Compliance Committee to consider the claim, but it will only be if IFSO finds that there has been a significant breaches (or multiple breaches) of the Code and reports as much to ICNZ."

Given that very specific statement the next section might be a bit alarming.

The head of ICNZ writes to head of Southern Response

On 13 December 2018 Jane Brown sent an email to Anthony Honeybone with an attached letter from the Chief Executive of the Insurance Council of New Zealand, Tim Grafton.

From: Jane Brown [mailto:jane@icnz.org.nz]
Sent: Thursday, 13 December 2018 10:12 AM
To: Anthony Honeybone <Anthony.Honeybone@southernresponse.co.nz>
Subject: Complaint about alleged breaches of the Fair Insurance Code

Good morning Anthony,

Please find attached a letter from Tim Grafton on behalf of ICNZ's Code Compliance Committee.

Kind regards

Jane Brown
Legal Counsel
Insurance Council of New Zealand

I provide that letter in full here, and will talk about specific points after.

ICNZ Insurance Council of New Zealand

Insurance Council of New Zealand
P.O. Box 474 Wellington 6140
Level 2, 139 The Terrace
Tel 64 4 472 5230
email icnz@icnz.org.nz
Fax 64 4 473 3011
www.icnz.org.nz

13 December 2018

Anthony Honeybone
Chief Executive
Southern Response Earthquake Services Ltd
PO Box 9052
Christchurch

By email: anthony.honeybone@southernresponse.co.nz

Dear Anthony,

I write to you on behalf of the independent members of ICNZ's Code Compliance Committee (the Committee). As you know, the Committee has responsibility for monitoring significant breaches of the Fair Insurance Code (the Code).

At the Committee's 13 November meeting a complaint about Southern Response from [redacted] and his mother [redacted] was brought to the Committee's attention. We write to you with the [redacted]'s express permission to discuss their complaint.

[redacted] first contacted ICNZ in early August, alleging multiple breaches of the Code by Southern Response. As part of the conversations with [redacted], ICNZ contacted Southern Response for information. As we have subsequently referred [redacted] to the Insurance and Financial Services Ombudsman (IFSO), we have only received limited information from Southern Response at this stage. One of the pieces of information we received is an email of 10 August from yourself to Mr [redacted] and his mother. In the email you say, *"I acknowledged to you that at times through your claim management Southern Response has not communicated clearly, have not met deadlines and imposed deadlines that were not reasonable given your circumstances"*. Without further information, this appears to the Committee to acknowledge a prima facie breach of paragraphs 9, 11, 27 and 29 of the Code, at a minimum.

Rule 21.1(a) of the ICNZ Rules states that every member shall "*conduct its business in accordance with the Code of Ethics, presently called the "Fair Insurance Code"*. Rule 21.1(f) goes on to say that every member shall *"proactively disclose a breach of a potential breach of Rules 21.1(a) to (e) to the Chief Executive in good faith and on a no surprises basis."* ICNZ was not advised of any breaches of the Code and it was only through [redacted] that we became aware of the matter.

As the [redacted] have applied to IFSO to hear their complaint, ICNZ will await a decision as to whether the Ombudsman considers there have been any significant breaches or are any unresolved significant breaches before the Committee considers taking any further action. However, in the meantime the Committee would like assurances from Southern Response that the behaviours that lead to poor communication and missed deadlines will not occur again.

We also note that on 3 October, Southern Response submitted a nil return Fair Insurance Code Quarterly Report for Q3 of 2018. The guidance note for the quarterly reports states that a significant breach is "*a material breach of any provision in the Code – or a series of breaches of the Code that, taken together, are material – with the potential to bring the insurance industry into disrepute*".

Based on this information, the Committee requests a written response addressing the following matters:

- What changes Southern Response has put in place internally to ensure that breaches acknowledged in your email of 10 August do not arise again in future?
- Why Southern Response's Q3 Fair Insurance Code Quarterly Report stated there had been no significant breaches, when your email of 10 August acknowledged a number of issues which would prima facie amount to breaches of the Code.

I appreciate that the holiday period is about to start so would request that you have a response to me by the 12th of February 2019 at the latest, so we can report back to the Committee before it next meets.

Kind regards

Tim Grafton CMinstD
Chief Executive

Attachments:

- 10 August 2018 email to [redacted]
- Fair Insurance Code reporting guidance document 2018
- Southern Response Fair Insurance Code Reporting Q3

Firstly, Jane Brown told me on 5 November 2018 that the ICNZ Code Compliance Committee would not consider my complaint unless a referral was made by the Dispute Resolution Scheme. Despite this, Tim Grafton says that not only did the Code Compliance Committee discuss my complaint, but that the Code Compliance Committee would have immediately found Southern Response guilty of breaches of 4 paragraphs of the code of ethics, at a minimum, solely based on Anthony Honeybone's conversations with me.

However, Southern Response hadn't provided ICNZ "further information" to show that they were not breaches.

Not only this, but Tim Grafton states that the Code Compliance Committee will be discussing my complaint again shortly after 12 February 2019, and wants Southern Response to do a better job of preparing.

Tim Grafton states that the only reason Southern Response wasn't found guilty was because I had made the choice to file with the Dispute Resolution Scheme, whereas Jane Brown gave me no choice but to file with the Dispute Resolution Scheme.

Tim Grafton uses this fact to assure Anthony Honeybone that despite being obvious that Southern Response breached the code, ICNZ will not rule on the matter unless the Dispute Resolution Scheme makes a referral saying so. As you will see in later sections, this incentivises Southern Response to delay the process as much as possible trying to convince me to not go forward with the complaint.

So the Insurance Council of New Zealand, who says their mission is "to promote and shape a responsive and sustainable insurance industry to safeguard New Zealand." saw evidence that one of their members had breached their code of ethics, sent the person who made the complaint through another organisation suggesting mediation instead of complaint, in order to give their member time to be better prepared in case ICNZ received the complaint again.

One further note on this. It was after this letter that Southern Response engaged a law firm to prepare documents about my complaint that would eventually be submitted to the Code Compliance Committee. The name of that law firm is Buddle Findlay. There are 3 members of the Code Compliance Committee, one of whom is David Caygill, "former Minister of Finance, partner at Buddle Findlay, and Commissioner of Environment Canterbury".

The head of Southern Response writes to the head of ICNZ

Anthony Honeybone does not wait until February to respond, instead responding on 18 December 2018.

From: Anthony Honeybone
Sent: Tuesday, 18 December 2018 3:51 PM
To: 'tim@icnz.org.nz' <tim@icnz.org.nz>
Cc: 'Jane Brown' <jane@icnz.org.nz>; Anna Gruczynska <Anna.Gruczynska@SouthernResponse.co.nz>
Subject: RE: Complaint about alleged breaches of the Fair Insurance Code

Dear Tim

'ease find attached a response as requested to your letter dated 13 December 2018.

Regards
Anthony

Here is the relevant part of the document in relation to Anythony Honeybone stating that the apology was not sincere.

> As acknowledged in your letter, the committee has sought information from Southern Response on the basis of a "prima facie" breach of the Fair Insurance Code based on minimal information. With reference to the ICNZ '**Guidance note: "significant breaches" of the Fair Insurance Code 2016**', Southern Response does not believe that our actions on this claim constitute a breach with the potential to bring the insurance industry into disrepute.
>
> As you will be aware, in a claim situation where a customer has not been happy with the service provided, an apology acknowledging the complaint and that the business could have done better, is often a more productive and positive approach rather than going through specific examples with explanations, or arguing factual interpretations in an attempt to provide counter arguments to the alleged poor service. As such, the email that you claim to represent a prima facie acknowledgement of breaches was actually an apology to the customer and a commitment to improved service.

The first paragraph is Anythony Honeybone saying he doesn't think Southern Response has done anything significantly wrong, despite his own words indicating to ICNZ otherwise.

The second paragraph is Anthony Honeybone saying that it was easier for him to make up an apology than to have a conversation with me where he tells me I'm wrong about my complaint of poor service.

If Anthony Honeybone doesn't think Southern Response has done anything wrong, and instead that I'm wrong about the poor service, then the apology is not sincere.

Summary

The letter from Tim Grafton and the prior action of Jane Brown appears to indicate that ICNZ intentionally delayed hearing my complaint by sending me to the IFSO Scheme, that they already had the view that Southern Response was guilty of multiple breaches of the code of ethics when they did decline to hear the complaint, and that they wanted Southern Response to prepare better for future Code Compliance Committee meetings.

Both Tim Grafton and Jane Brown received this letter saying the apology was not sincere, and both were present in the meeting where the ICNZ Code Compliance Committee declared that the complaint I filed was resolved because of this insincere apology.

Note that this will be discussed further in the section *The Dispute Resolution Process*.

Summary of apology

Southern Response have referenced the apology of Anothy Honeybone many times over the years reiterating that the apology is sincere and that I should accept it.

I do not accept the apology as being sincere.

However, the Insurance Council of New Zealand (ICNZ) did accept the apology. The next section will cover what ICNZ actually found Southern Response guilty of when they confirmed that Southern Response's actions significantly breached the insurance industry code of ethics and that their actions had the potential to bring the entire insurance industry into disrepute.

Dispute Resolution

In July 2018 I submitted a complaint to have the behaviour of Southern Response assessed by an "independent" company in relation to the Fair Insurance Code, the New Zealand Insurance Industry code of ethics.

Dispute Resolution Outcome

Before covering the Dispute Resolution process and if any crimes were committed by anyone other than Southern Response, first I'll present what the actual results of the investigation by the Insurance and Financial Services Ombudsman and the Insurance Council of New Zealand actually was.

IFSO assessment of resolution

On 26 June 2019 Claire Benjamin, Solicitor and Case Manager for the Insurance & Financial Services Ombudsman Scheme provided us with her assessment of our complaint[18].

In that assessment Clair Benjamin states that the complaint is unresolved and that Southern Response must inform ICNZ that the Southern Response has significantly breached the Fair Insurance Code. The key here is that despite the IFSO Scheme knowing about the apology and the ex-gratia payment, they have found the complaint to be significant and unresolved.

> Southern Response now has an obligation to inform ICNZ that:
>
> ***The IFSO Scheme has determined that Southern Response has significantly breached its obligations under the Fair Insurance Code in relation to case number [redacted]. Given that Southern Response does not accept the breaches are cumulatively significant, or acknowledged it has breached the Code to the complainant, the IFSO Scheme considers that the significant breach has not been resolved.***
>
> ***The IFSO Scheme has found that there is an "unresolved significant breach" and, therefore, Southern Response is required to notify ICNZ within a reasonable time. The Complainant will also be notified that the matter has been referred to ICNZ for consideration.***

[18] Document named 20190626135459234.pdf

ICNZ assessment of resolution

On 27 March 2020 ICNZ came to exactly the opposite conclusion of resolution as the IFSO Scheme.

> Further to my earlier email I write to advise that the Board considered your complaint during their meeting today. The Board decided that while Southern Response has significantly breached the Code, they believe that it has been satisfactorily resolved and no further action needs to be taken.
>
> Kind regards
>
> Jane Brown
> **Legal Counsel**
> **Insurance Council of New Zealand**
>
> +64 4 495 8008
> +64 21 509921
>
> ICNZ Insurance Council of New Zealand

ICNZ two step process

The ICNZ process actually involves two steps. First the complaint goes to the Code Compliance Committee who then makes a recommendation that is then sent to the ICNZ board for final assessment.

This is a good point to remind you that Southern Response hired a law firm to prepare the documents that would eventually be assessed by the ICNZ Code Compliance Committee. The name of that law firm is Buddle Findlay.

On the ICNZ Code Compliance Committee sit 3 members who assess those documents. One of those members is David Caygill, "former Minister of Finance, partner at Buddle Findlay, and Commissioner of Environment Canterbury"[19].

> The Code Compliance Committee is currently made up of the following independent members:
>
> - Sir David Carruthers – former Chief District Court Judge, Chair of the New Zealand Parole Board, and Chair of the Independent Police Conduct Authority.
> - Hon David Caygill – former Minister of Finance, partner at Buddle Findlay, and Commissioner of Environment Canterbury.
> - Diane Morcom CNZM– former Secretary of the Cabinet and Clerk of the Executive Council.
>
> The Compliance Committee is chaired by Tim Grafton (ICNZ CE).

[19] https://www.icnz.org.nz/fair-insurance-code/making-a-complaint

Summary

Remember that Southern Response is overseen by two government ministers. One of them is Grant Robertson, who is currently the Finance Minister of New Zealand. Grant Robertson is responsible for ensuring the financial performance of Southern Response.

Southern Response hired a law firm to write documentation that would be submitted to a former Partner of that law firm, who also happens to be a former Finance Minister; and the recommendation decided by that committee was that no action should be taken against Southern Response, thus ensuring a positive financial outcome.

That seems like a lot of coincidences.

You may have noticed that my complaint was filed in July 2018, the assessment by the IFSO Scheme was in June 2019, and the assessment by ICNZ was in March 2020. In later sections we will cover why there is such a delay and why the 2020 assessment date by ICNZ is significant.

Findings of deception

In the first section of this document we covered how the apology by Anthony Honeybone was actually a cover for numerous crimes. In this section I will cover whether or not the IFSO Scheme or ICNZ made an investigation into those acts of deception based on their promises to do so.

IFSO Findings of Deception

In raising my concerns with the assessment of the IFSO Scheme I wrote a 15 page response detailing the omissions of dishonesty from the IFSO Assessment. On 15 July 2019 Karen Stevens, the Ombudsman of the IFSO Scheme, responded with a 3 page letter. Included in that letter was this statement saying that the details of the dishonesty conducted by Southern Response were “simply part of the ‘many individual breaches’ of the Code” that the ICNZ Code Compliance Committee would investigate.

> I am sorry that Ms Benjamin may have misunderstood various points, or taken a different view, and you have taken issue with the IFSO Scheme’s approach. I fully appreciate that the detail of each individual point is of importance to you and I understand that you are seeking to address Southern Response’s behaviour in relation to the Code. Because of that, all of the detail simply becomes part of the “*many individual breaches*” of the Code Ms Benjamin referred to on page 10 of her Assessment which, taken together, were material, “*significant*” and remain unresolved.
>
> It is now a matter for the CCC to investigate the unresolved significant breach and decide how to resolve it.

In other words calling Southern Response out on their dishonesty was not something that the IFSO Scheme was prepared to be involved in, and instead they passed the responsibility to ICNZ to deal with.

ICNZ Findings of Deception

After receiving ICNZ's decision that no action would be taken against Southern Response I asked Jane Brown at ICNZ to provide some additional details.

31 March 2020 - Me to Jane Brown

> Can you please provide me with the list of individual breaches that added up to a significant breach?

9 April 2020 - Jane brown to me

> The breaches were those ones identified by IFSO in their determination of 26 June 2019.

9 April 2020 - Me to Jane Brown

> Did ICNZ consider the IFSO statements about outstanding unresolved breeches that should be determined by ICNZ?

14 April 2020 - Jane Brown to me

> The breaches identified by IFSO were sufficient to making a finding of there having been a significant breach.

16 April 2020 - Me to Jane Brown

> When you say "identified by IFSO" I can't tell if that includes the statements on Page 10 of the findings, which the IFSO Ombudsman said includes the matters of dishonesty which are "material, significant and remain unresolved." and that the Committee needed to investigate them.
>
> Can you please confirm that all matters of dishonesty were considered by the Committee and Board?

14 April 2020 - Jane Brown to me

> All matters identified by IFSO were investigated by the Committee.
>
> As the Board has made their decision and now considers the matter closed I will not be responding to further correspondence.

If all matters identified by the IFSO Scheme were investigated, and all breaches identified were sufficient to make a finding of there having been a significant breach, does that mean that ICNZ did consider that Southern Response had acted dishonestly? Or does it mean that ICNZ specifically did not investigate dishonesty even though that was what the IFSO Scheme said was their responsibility?

Southern Responses Understanding of Findings of Dishonesty

On 24 March 2021 I made an Official Information Act request to Southern Response asking what the findings of ICNZ were.

The response from Casey Hurren indicates that there is no document that Southern Response is in possession of that contains the reasons Southern Response breached the Fair Insurance Code.

You have two made requests for 'information' in your email below:

"*ICNZ has said that it found Southern Response guilty of all matters referred from the IFSO Scheme. Please provide the information and documents held by Southern Response as to if Southern Response has been specifically told, or has interpreted, this as including all the incidents of dishonesty that the IFSO Scheme said ICNZ needed to rule on.*"

"*Please also provide me with the specific date that Southern Response believes that we should have started to interpret 'settlement' as 'interim settlement'. Please provide all information and documents as to us being informed of the interpretation change.*"

-
(my emphasis for both quotes above)

I have treated both requests as a request for information under the Official Information Act. Both requests are declined pursuant to section 18(e) as the information and documents are either not held or do not exist. You have the right to contact the Ombudsman about this response. To do so, you can visit their website - http://www.ombudsman.parliament.nz/.

All other queries that you have made below in my view relate to matters that predate the interim settlement payment letter of June 2019, which I will not be responding to.

However, my question was for "information and documents" and 18(e) only applies to documents. After I reminded Casey Hurren of this I received a response on 26 March 2021.

In addition to section 18(e), Southern Response also relies on section 18(g) as I believe the requested information does not exist. As the requested information does not exist, I do not believe the requested information is more closely connected with any of the entities or persons listed in section 18(g) of the OIA.

As such, Casey Hurren, head of Southern Response is saying that there is not a single employee, Director, or Minister of Southern Response who is aware of what actions ICNZ determined significantly breached the Fair Insurance Code and could have brought the entire insurance industry into disrepute.

Inadequate Assessment by the IFSO Scheme

After receiving the IFSO Scheme's assessment I responded raising concerns about the lack of information regarding dishonesty. This is the document that the IFSO Scheme's Karen Stevens said that the IFSO Scheme would not investigate and instead needed to be investigated by ICNZ.

Dear Ms Benjamin,

With regards to the assessment of our complaint, we have concerns both in what it contains and what it omits from our complaint. We believe that in order for IFSO to fulfil its obligations it should address all aspects of our complaint, even if it is just to explain why IFSO deems those aspects as not evidence of a significant breach of the Fair Insurance Code.

Below are some of the items that are not addressed in the assessment of our complaint.

The claim is complex

It has been stated by Southern Response many times that our claim is complex. This has been reiterated by IFSO in its assessment.

The claim is not complex.

If Southern Response had been acting honestly and with utmost good faith then the process for settling our claim would have been:

1) Southern Response requests engineering reports in 2016 where both Option A and Option B are documented.
2) Southern Response meets us in January 2017 where we state our rightful preference to retain the existing heavy cladding.
3) Southern Response settles the claim with Option B.

Any complexity that does exist is not inherent in the claim, but is a direct result of Southern Response's dishonesty and lack of utmost good faith as detailed below. The IFSO assessment has not made reference to these facts.

Acknowledgement of confirmation of dishonesty, but no assessment of dishonesty

Under the section "The Code" in the IFSO assessment document it is acknowledged that I obtained statements from Southern Response's engineer at Harrison Grierson that Southern Response were not representing the views of the engineers to us, nor to IFSO. However there is no mention of this in the assessment section of the document.

It was because of our view that Southern Response was acting with a behaviour of lies, intimidation, and willful harm to two vulnerable individuals that, for the sake of our mental and physical health I had to request the claim be put on hold.

We request that this be addressed as a matter of dishonesty and a lack of utmost good faith in IFSO's assessment.

Acknowledgement of dishonesty in DRA communication, but no assessment of dishonesty

The assessment documentation states "This included one statement in November 2017 that the DRA had been updated, when it had not been updated."

We request that this be addressed as a matter of dishonesty and a lack of utmost good faith in IFSO's assessment.

Acknowledgement of dishonesty in cladding communication, but no assessment of dishonesty

In the assessment IFSO states "... Southern Responses Claims Settlement Manager emailed Mr [redacted] stating that the expert evidence confirmed that a repair of the foundations, together with reinstalling the heavy brick, was still possible. This was clearly not the case…"

IFSO has attributed this to "a misunderstanding of technical information". However, corrective information was provided to Southern Response after this incident. Had Southern Response been acting honestly they would have immediately proceeded with the only option available to them, namely Option B.

The fact that IFSO acknowledges that the senior staff member was informed of the only valid option 3 days earlier does not lead credence to the behaviour of the staff being "a misunderstanding of technical information".

We request that this be addressed as a matter of dishonesty and a lack of utmost good faith in IFSO's assessment.

Intentional hiding of Option B

The IFSO assessment makes little mention of Southern Response's attempts to hide Option B from us, only acknowledging "Unfortunately, Southern Response attached the first report and not the second report."

IFSO has not acknowledged the evidence showing that Southern Response specifically asked their engineers to exclude any option that would result in a foundation rebuild e.g. Option B.

IFSO does acknowledge that once Southern Response obtained Option B from their engineers Southern Response delayed providing that report to us.

IFSO has not acknowledged that the wrong report was provided to us by two different staff members. The assessment does not consider how this could have happened.

IFSO has not acknowledged that even after Southern Response provided us "updated reports" they continued to not mention "Option A" or "Option B" which also would have allowed us to know we had received the wrong report.

IFSO has not acknowledged that I specifically asked Southern Response "What is the repair strategy that would incur the cost that Southern Response deems not necessary or reasonable?" to which the honest answer would have been "Option B from the lastest HG report that we provided you". This would have allowed us to discover that we had the wrong report. Instead the employee again chose not to name the option or make reference to any reports.

IFSO has not acknowledged the emails that show that this employee had specifically requested input from both Anthony Honeybone (then General Manager of Claims Settlements) and Casey Hurren (General Manager Legal & Strategy), and the employee was instructed to tell us that it was an engineering requirement to remove the existing cladding despite confirmation that this is not true, and with the email chain showing a different recommendation from engineering. This can not be attributable to a lack of experience or a misunderstanding of technical information. Southern Response making that statement further kept us from knowing of the existence of Option B.

IFSO has not acknowledged that once the employee left Southern Response and his manager took over daily management of our claim, that she continued to not refer to the options by name. Even in the email where Ms Smith used intimidation to try and force us into accepting option A she did not mention any options by name.

Between 26 April 2017 and 25 January 2018 there is not a single correspondence from Southern Response that names either option, with Southern Response only falsely repeating that engineering advice requires removal of heavy cladding. This is with at least 3 staff members doing "full reviews" of the case and approval from at least two General Managers.

However, for Option C the first mention of this option by name was in the very first email where we were provided the updated report. This discrepancy should be considered as part of whether Southern Response was acting honestly and with utmost good faith.

These simple facts have not been addressed in the assessment, nor has our belief that this is representative of systemic dishonesty being an approved method of operation at Southern Response.

Omission of inappropriate perimeter based screw piles

The IFSO assessment has not acknowledged that Southern Response had knowledge of the inappropriateness of perimeter based screw piles (later called Option C) in September 2017. This was 4 months before Southern Response presented and then attempted to force us to accept Option C.

ENGEO informed Arrow International of the inappropriateness of perimeter based screw piles in August 2017. Arrow International informed Southern Response of the inappropriateness in September 2017. A few days later was when Southern Response made its first attempt at forcing the settlement of the claim through intimidation of two vulnerable individuals. We were never told about this option or that it had been deemed inappropriate.

After this attempt at forcing settlement of the claim we were told that Southern Response were investigating other options. Instead of investigating other options Southern Response made no substantial effort to progress the claim between September and December 2017 and only then asked HG to create a report for Option C based on the methodology ENGEO said was inappropriate. This was done by asking ENGEO for a comment about whole foundation screw piles, and then presenting it to HG without acknowledging the different methodology.

When HG presented Option C to them, Southern Response made no attempt to inform HG that they had provided an option that ENGEO had deemed inappropriate. Southern Response did not ask for a corrected report, but instead carried forward with the steps to settle the claim with a methodology that they knew was not geotechnically appropriate.

When we were presented with Option C I asked Southern Response to ask their engineers to confirm the validity of the option. Southern Response never asked their engineers for confirmation. I have confirmed this in writing with Southern Response's engineer at Harrison Grierson.

After many attempts at requesting Southern Response check with the engineers about the appropriateness of Option C, Southern Response said that they had asked and were waiting for the response. This again is contradicted by the lack of evidence and the statements of Southern Response's engineer at Harrison Grierson.

IFSO states in its assessment that "In March 2018, Harrison Grierson acknowledged that it had made an error in the third report, and Option C would not be an appropriate solution." However, this is not true, as I have confirmed with the engineer at Harrison Grierson. That correspondence was about needing additional information in order to progress with detailed design and had nothing to do with acknowledging the inappropriateness of Option C. Instead this communication from HG would require Southern Response to re engage ENGEO and risk exposing the fact that they had proceeded with a known inappropriate repair methodology. Instead Southern Response asked ENGEO for a different repair methodology and then continued to say to us that Option C was valid, and that ENGEO report was the same methodology as Option C.

In March 2018 Southern Response tried, for the third time, to forcibly end the claim by attempting to make us accept Option C. This attempt was made after the HG communication about detailed design. If Southern Response had just been informed that Option C was inappropriate then it would not be honest or with utmost good faith that they try to force settlement with Option C. The IFSO assessment does not account for this discrepancy.

Up until I filed the complaints with ICNZ in August 2018 Southern Response continued to say that Option C was still valid. If HG had written to Southern Response in March 2018 to acknowledge fault with the methodology, as stated by IFSO, then it is not honest or with utmost good faith that Southern Response should be saying 5 months later that it was still a valid methodology. The IFSO assessment does not account for this discrepancy.

Instead Southern Response continued to assert that Option C was valid in August 2018 when they knew in September 2017 that it was not appropriate.

There appears to be nothing honest or with utmost good faith about Southern Response's behaviour in relation to Option C, however IFSO has made no mention of any of this in its assessment other than to incorrectly state the contents of a single email.

Intentional harm

While IFSO acknowledges an incident in relation to my health as a breach of fairness due to a short timeframe, it is not acknowledged that this incident also exposes dishonesty and a lack of utmost good faith.

Southern Response "interpreted" my statements as the opposite of what I actually said.

Southern Response knew that the methodology was already invalid and ignored my concerns about the validity.

Southern Response gave an inappropriate deadline knowing that I was in hospital.

There were three Southern Response staff members involved in the communication and not a single one raised concerns about the misinterpretation, the inappropriateness of the timeline, the risk to my life, nor acknowledged that my concerns about Option C might be valid. These three people were our assigned Claims Specialist, her manager a Claims Settlement Manager (who provided the wording of the email), and our assigned Customer Liaison Advisor.

IFSO has not addressed this in the assessment.

Lack of additional available options

Southern Response has stated many times that it did not have to proceed with Option B because it has had other options available to them. As the facts do not support this statement we see this as an additional lie used by Southern Response in their dishonest handling of our claim.

Southern Response specifically asked their engineers in 2016 to not provide a methodology that would require a foundation rebuild e.g. Option B.

After our January 2017 meeting, Southern Response received Option B in April 2017 it had no other options that allowed for our rightful preference to retain the existing cladding and therefore no reason to not settle the claim with Option B.

It wasn't until August 2017 that Southern Response started to investigate screw piles. When the screw pile option was deemed inappropriate by ENGEO later in August 2017, and then confirmed by Arrow International in September 2017 there again were no options under investigation that would allow Southern Response to not settle the claim with Option B.

It wasn't until December 2017 that Southern Response made any attempt at a new methodology. However, since Southern Response already knew that this option was not appropriate it can not be considered new, or valid. Therefore there were no options that would prevent Southern Response from settling the claim with Option B.

It wasn't until July 2018 that Southern Response started to investigate a new option again. However, instead of asking their engineers ENGEO and HG for additional options, as had been done with Option B, Arrow International dictated an option to Houselevellers, and then used that report to influence the discussions with ENGEO and HG.

Therefore aside from one month between April 2017 and July 2018 there were no options under consideration that would have met Southern Response's assertion that they did not have to proceed with Option B because they had other valid options available to them.

Incomplete list of provided options

The IFSO assessment has not acknowledged that Southern Response provided IFSO with a different list of options that it says was provided to us than what was actually provided to us.

While Southern Response has since claimed that two of the options we actually received are the same (despite presenting them to us differently), it has not addressed the fact that we were provided with different methodologies that were called Option C, but that Southern Response continued to assert were the same methodology.

IFSO has not acknowledged that Southern Response presenting us with Option C in any form is an act of dishonesty since Southern Response was already aware that it was not Geotechnically appropriate.

Validity of retaining heavy cladding

In the IFSO assessment it is stated that "If it were not considered to be in "*common use*", then Southern Response would be entitled to replace it with an alternative, and effectively dismiss any more expensive foundation solutions, such as Option B."

The building code, via the MBIE Technical Guidance, specifically says that if there is a strong preference to retain the heavy cladding then the foundations must be upgraded. Therefore heavy cladding is still deemed “common use”. As the cladding is undamaged, there is no issue of sourcing the material. The process of laying bricks has not changed significantly to mean these bricks can not be laid with any new common techniques should they exist.

IFSO also states that “I also note that the settlement provisions effectively allow Southern Response to manage its costs" while not acknowledging that the management of costs can only be done while maintaining compliance with the Building Code. As the MBIE Technical Guidance form part of the Building Code, Southern Response can not manage its costs to the detriment of its obligations in relation to the MBIE Technical Guidance, which in itself should be considered to be poor conduct, unfair, and legally questionable.

If there is now dispute about the cladding, 28 months after informing Southern Response that we want to retain the existing cladding, then this should be investigated by IFSO as part of the assessment of honesty and acting in the utmost good faith on the part of Southern Response.

Validity of Option A

In IFSO’s assessment it states “Southern Response maintains Options A, B and D are all be foundation solutions which would meet the provisions of the policy” and “This means, for the purposes of this Assessment only, I need to assume that Options A, B and D would all be foundation solutions which would meet the requirements of the settlement provisions.”

Southern Response has never said that we do not have the rightful choice to retain the heavy cladding as afforded by the MBIE Technical Guidance, despite trying to force light cladding many times.

If there is any disagreement on this matter now then it should be a matter of assessment to investigate this change of view.

Validity of Option D

In the IFSO assessment it is stated that “Between July and August 2018, a further repair option was developed, similar to Option A, but would allow for a heavyweight cladding to be used (“Option D”, also referred to in correspondence as “Option A1”.”

IFSO has not acknowledged that there is no difference between Option A and Option D aside from the cladding. This can be seen in the final communication from Mr Hurrell before our request for reprieve on 17 August 2018. Option A was deemed inappropriate for the retention of heavy cladding. This is well documented in our claim file, and further evidenced by the fact that

Southern Response chose to ask the engineers for an option that supported heavy cladding instead of just using option A. The invalidity of Option A is further evidenced by the fact that the engineers provided a new option instead of saying that the existing option met requirements. This is further evidenced by the MBIE Technical Guidance which says that foundations must be upgraded. Therefore Option D is inappropriate for retention of the existing cladding.

Further, it has been confirmed by Southern Response that Options A and B are common, but this is not the case with options C and D. Therefore it is Southern Response who may be in violation of the “common use” clause of the insurance policy. We know that Option C can not be “common use” considering it is not geotechnically appropriate. I have been in discussions with Southern Response’s structural engineer at Harrison Grierson and my last question to him was about Option D and “common use”. This question was originally asked on 16 June 2019, and remains unanswered. Instead, Southern Response said on 26 June 2019 that “While we appreciate that you have raised queries with Harrison Grierson as to this solution we do not consider that any part of that ongoing dialogue has evidenced option D as being insufficient.” It wasn’t until after responding to Southern Response and pointing out that it appeared they were blocking communication with the engineer that I received a response from the engineer, but he did not answer the question of “common use” in relation to Option D. The fact that this methodology was not devised by any of the engineers, but instead by Arrow International gives further doubt as to its “common use” status.

Further Southern Response has continued to choose not to address my concerns about Option D and its validity in relation to the MBIE Technical Guidance, which forms part of the Building Code. We have seen no evidence that Southern Response has even posed this question to their engineers.

Considering that Southern Response had just spent from September 2017 to July 2018 pursuing a methodology it knew was not geotechnically appropriate nor “common use”, and did not acknowledge it wasn’t appropriate until its IFSO submission in March 2019, the validity of Option D should not be something that is accepted without much due diligence.

Further our complaint about Southern Response is about their historical behaviour over the course of the claim. At the time of our complaint to ICNZ (and not for 7 months later) Southern Response did not have any technical reports for Option D. It wasn’t until after IFSO engaged Southern Response about our complaint that Southern Response pursued technical reports.

Despite these facts IFSO has chosen to state in its assessment document that “This means, for the purposes of this Assessment only, I need to assume that Options A, B and D would all be foundation solutions which would meet the requirements of the settlement provisions.”

The IFSO assessment has not acknowledged that Southern Response last told us that all 4 options (A, B, C, D) were all valid, but has given IFSO a different list.

IFSO did not progress our complaint between November 2018 and March 2019 while Southern Response made efforts to get the Option D reports. IFSO tried to persuade us to accept Southern Response's preference of mediation instead of addressing our complaint for a review of the Fair Insurance Code. Therefore we believe it is inappropriate for IFSO to say "I need to assume" when instead a truly independent statement could be stated as "it is disputed that Options A, B and D..."

Inexperience of staff

IFSO makes the statement in its assessment document that "I believe that there was a misunderstanding of technical or other issues due, possibly, to the inexperience and lack of knowledge of Southern Respoinse's staff who dealt with Mr [redacted]."

The IFSO assessment has not acknowledged that our complaint includes concerns about the number of times that our staff were changed and that Southern Response claims that the majority of these changes were done in order to progress the claim by putting more experienced staff on the claim. This in itself is not something that we agreed to or desired.

The IFSO assessment has not acknowledged that "full reviews" of our claim have been said to have been done by many staff members at Southern Response. This includes Dean Serra, April Smith, Samantha Groves, Wayne Hurrell, and CEO Anthony Honeybone. If there were any perceived irregularities (e.g. as a result of prior inexperienced staff) in our claim then these should have been picked up by these staff members and acknowledged to us. Instead we have been persistently told untrue statements, which more closely matches a pattern of intentional dishonesty instead of inexperience.

In correspondence to us Southern Response's CEO Anthony Honeybone decided that Mr Wayne Hurrell would remain on our case because of Mr Honeybone's belief that Mr Hurrell's experience made him the most appropriate person at Southern Response to deal with our claim. Mr Honeybone's conviction of Mr Hurrell's experience was so strong that he dismissed the fact that we had already made several formal complaints about Mr Hurrell, and Southern Response's Governance Officer made the specific recommendation that Mr Hurrell be removed from the claim. Mr Hurrell continued to state that Option C was valid despite Southern Response knowing 11 months earlier that it was not; nor the 5 months that IFSO says that HG informed Southern Response that Option C was not valid, nor for the month where Southern Response told their contractors to stop all work on the next "Option C".

Given these facts we believe it is inappropriate for IFSO to dismiss all aspects of dishonesty and lack of utmost good faith in our complaint due to staff inexperience.

Misunderstanding of technical or other issues

Further to IFSOs statement “I believe that there was a misunderstanding of technical or other issues due, possibly, to the inexperience and lack of knowledge of Southern Response’s staff who deal with Mr [redacted].”

This may explain the first instance of Southern Response getting something wrong, however we have continued to correct any “misunderstanding” that Southern Response may have had. With those corrections the actions of Southern Response should have changed, however they did not change.

Incorrectly stating something once is a mistake, repeatedly doing so after being corrected many times should be assessed as a matter of dishonesty.

Attempts to end the claim without following procedure

IFSO has not acknowledged the multiple times that Southern Response tried to end the claim without providing us with a valid DRA, getting agreement about a DRA or otherwise following the procedures for settling a claim.

Southern Response’s attempts to force settlement of the claim have been so persistent that their engineer at HG is under the belief that our claim is in the detailed engineering stage, instead of actually being in the DRA stage.

There have been at least 4 occurrences of this behaviour by Southern Response.

1. 14 September 2017 attempted to force us to accept option A
2. 15 February 2018 attempted to force us to accept option A
3. 29 March 2018 attempted to force us to accept Option C
4. 17 June 2019 attempted to force us to accept "Option D"

While there have been other occurrences of Southern Response limiting our options and suggesting that we settle they have not been done in such an egregious manner as the 4 instances above.

Facts are not important

IFSO has not acknowledged my communication where we were told by Southern Response’s legal department that it did not matter that their statements were not factually correct because IFSO was provided with the full case file and it was expected that IFSO would read and fully comprehend these thousands of pages within the timeline of a review of the case.

This ignores the fact that if Southern Response believes that facts are not important in their submission then it may also mean that they do not see facts as important in our claim. This would mean that even if IFSO did read the claim file in its entirety that it may well be filled with factually incorrect statements made by Southern Response.

When I've asked for confirmation from Southern Response that the claim file includes the document that was excluded from Privacy Act Request Southern Response has repeatedly refused to answer the question saying that this is something that the IFSO must confirm. I can see no reason for this to involve ISFO unless it is to hide the fact that the "complete claim file" is not actually complete and therefore IFSO did not have all of the facts required to assess our claim given that Southern Response has acknowledged that their submission contains statements that are not true.

This furthers our complaints that Southern Response has been dishonest and that it is seen as a normal method of operation approved by the CEO Anothony Honeybone.

Assurances of oversight and invalid notice of “deadlock”

In my communication with Southern Response CEO Anthony Honeybone he stated “I will be monitoring progress of your claim to ensure that the team at Southern Response manage your claim appropriately, all communication with you occurs in an open and transparent manner”.

However when I presented Mr Honeybone with examples of the lies we were being told he did not acknowledge that part of our email. Later when I stated that we were continuing to be told lies by Southern Response staff and that deadlines were being missed Mr Honeybone chose to ‘deadlock’ our complaint instead of monitoring or addressing the statements we were making about the behaviour of his staff.

This letter of ‘deadlock’ by Mr Honeybone was done in violation of the ICNZ requirements set out in the Fair Insurance Code point 44, that if a complaint remains unresolved for two months then at that point a letter of ‘deadlock’ should be provided by the insurance company.

Even if it is determined that it is ok for the ‘deadlock’ to be given earlier than two months, that still leaves as a matter of assessment for IFSO the fact that Mr Honeybone was focused on resolution of the claim instead of addressing the complaint about the behaviour of his staff following his assurances that we would no longer be mistreated.

This has not been addressed by IFSO in the assessment of our complaint.

No record of requests for engineering input

IFSO has not acknowledged further dishonesty by Southern Response in their statements that they were seeking engineering advice in relation to my questions, but that we have never been provided answers to those questions, and we can not find any record of Southern Response asking the questions or receiving the answers in any of our Privacy Act requests.

As an example in an email dated 10 May 2018 from Ms Groves to us she states that there are 3 questions that have been asked of the engineers and that she is waiting for formal responses. We never received answers to these questions, and we can find no record in our Privacy Act requests that these questions were even asked, let alone answered.

Note again that this email makes reference to Southern Response still claiming that Option C is valid despite IFSOs assertion that HG acknowledged to Southern Response in March that it was not.

Despite me pointing out to Southern Response in June 2018 “It has now been 46 days, 18 hours, and 22 minutes since we were told, with regards to the engineers response, *"This has been escalated as an urgent matter and should be available early next week to send to you."*” Southern Response made no attempt to provide us with the engineer's responses.

An additional example is given previously in this email, where we have asked about the validity of Option D in relation to the MBIE Technical Guidance and we do not have any record that Southern Response has engaged their engineers on the matter.

Further intentional harm

IFSO has acknowledged that Southern Response has not been timely in its actions, however IFSO has not addressed this as a matter of dishonesty or lack of utmost good faith.

IFSO have not evaluated if Southern Response committed all the above acts of dishonesty in an effort to cause intentional harm to two vulnerable individuals that could result in 1) delaying past our life expectancy 2) causing such a detriment to our well being that we just accept anything that Southern Response offers so that we do not have to deal with Southern Responses lies and intimidation.

Misleading statements by IFSO

As noted above IFSO states that “In March 2018, Harrison Grierson acknowledged that it had made an error in the third report, and Option C would not be an appropriate solution.” As established, that was not what the communication was about.

The assessment contains the statement “confirming that the only option to retain the heavy brick was to replace the foundations, but the methodology was impractical for the site.” However IFSO has not acknowledged that the expert advice continued after that statement and made further recommendations which Southern Response chose to ignore.

The assessment contains the statement “Generally, I note that Southern Response has largely given Mr [redacted] updates, in the form of holding emails or answering his questions, while the experts reviewed information.” This does not acknowledge the facts that there are dozens of outstanding questions that Southern Response has not provided answers for, and does not acknowledge that there are many examples of where Southern Response says they have asked their experts but there is no evidence of this.

The IFSO assessment wrongly asserts that “In Mr [redacted]’s email, he raised valid concerns about Option C, which was in the third report provided to Mr [redacted] on 25 January 2018.” It should have stated that it was the second report that we received since Southern Response hid the second report from us so that we would have no knowledge of Option B.

Assessment

Given the amount of unaddressed evidence above, we do not believe IFSO has met the principles required of Dispute Resolution Schemes in the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

As such we request that IFSO address the evidence above and provide an assessment of why these facts do or do not constitute a significant breach of the Fair Insurance Code.

Regards,

[redacted]

Lying is not Behaviour

In her official response to the above Karen Stevens said that the IFSO Scheme was choosing to ignore all matters related to foundation repair options because I had asked the IFSO Scheme to assess Southern Response’s behaviour in relation to violating the Insurance Industry Code of Ethics. It appears that in Karen Stevens view, lying is not a behaviour that can violate a Code of Ethics.

4. You have raised concerns about the Assessment saying there was an assumption that various foundation options were valid.

This was an assumption for the purposes of assessing your complaint about the Code. This approach was taken as a result of your clear and firm instructions that you did not want the IFSO Scheme to look at whether the various foundation solutions were appropriate. You made this decision and therefore, the IFSO Scheme was required to take a position that they could be valid, as we could not determine whether they were or not.

You were very clear in your communications with us that the complaint was not about seeking resolution or mediation of the claim, but rather to address Southern Responses's behaviour in relation to the Code.

The communication that Karen Stevens appears to be referring to is from before the IFSO Accepted the complaint and while Karen Stevens was explicitly working with Southern Response to coerce me into not pursuing the complaint. More information about this will be provided in the section "The Dispute Resolution Process" but I provide the following statements here for direct comparison to Karen Stevens' statement above.

On 22 February 2019 I sent an email to Karen Stevens containing this statement stating that even if Karen Stevens wanted to continue to force mediation on us, that I did not want the IFSO Scheme delaying the complaint about Southern Response's behaviour.

If Southern Response wish to resolve the claim without the complaint going further then we are happy to hear their suggestions of remediation. This can be done either directly or through you. However, given that Southern Response still hasn't submitted their documentation to you, we do not expect anything other than more delays to avoid their obligations.

As such I do not want any such discussion of the claim to delay the processing of the complaint and the desired outcome of a referral to ICNZ.

On the same day Karen Stevens replied stating that she would permit the investigation of the complaint and would not engage in mediation, despite my offer to participate in mediation.

The point you need to understand is that our investigation might not lead to a referral to the ICNZ – that is the matter I raised with to you in my last email. A referral will be made only if there is a "significant breach", which has the meaning that whatever Southern Response has done has to have brought the industry into disrepute.

Given your comments, commencing the investigation only on the basis of the Code breaches is what we will do, and no mediation. However, you need to understand that it will not solve the issues with the house for your mother.

Firstly, the above statement contains a lie. A significant breach is if the actions have the potential to cause disrepute, not that the actual disrepute needs to have happened yet. Overall I feel that this message from the Ombudsman of the IFSO Scheme is rather sinister in nature. Essentially a threat that the complaint wouldn't succeed and therefore would have no positive impact for my mum. As I will show later, at this point Karen Stevens had been working with Southern Response to get me to drop the complaint for almost 4 months, despite the legal requirement that a Dispute Resolution Scheme be independant.

Summary

There is a massive amount of evidence that Southern Response acted dishonestly. However, the IFSO Scheme refused to investigate it, and instead referred it to ICNZ who then refused to say if they found that Southern Response had acted dishonestly.

Additionally, there is nobody at Southern Response, or any other Government Agency who has knowledge if Southern Response was found to have acted dishonestly, despite Southern Response having been found to have breached the insurance industry Code of Ethics so significantly that it had the potential to bring the entire insurance industry in New Zealand into disrepute.

This seems like a massive failing of the Ministers responsible for Southern Response, in that they continued to keep the same Directors of Southern Response in position to continue acting as they have. It means that the Southern Response's *Statement of Intent For Financial Years 2022 to 2026* was written without consideration for the unethical behaviour that Southern Response was found guilty of.

Either that, or the lack of knowledge is intentional, a result of the government intentionally covering up the crimes committed by government staff and aided by the "independent" Dispute Resolution Scheme, the IFSO Scheme; and ICNZ, the insurance industry organisation whose stated objective is "to promote and shape a responsive and sustainable insurance industry to safeguard New Zealand."

The Dispute Resolution Process

In this section I will cover the experiences that I had with the IFSO Scheme and ICNZ, and the communication between them and Southern Response and how it differed from what I was being told.

Instead of the actions of Southern Response being the only ones that have the potential to bring disrepute to the New Zealand insurance industry, I believe that the actions of both the IFSO Scheme and ICNZ themselves will have that outcome.

This section is coming soon.

Appendix A

Statements of the Apology

I received several communications from Anythony Honeybone, then CEO of Southern Response, offering apologies or referencing earlier apologies. These are all the sentences of apology that I have been able to find.

On 20 July 2018 an email from Anthony Honeybone contained these lines of apology:

1. “Reviewing the correspondence Southern Response has had with you and some of the requests and timelines set for you, there are instances where we have not met deadlines, not communicated clearly and imposed a deadline on you that was not reasonable. I apologise to you for those instances and for the stress and frustration that we may have caused you.”
2. “In the past we have not provided you clarity and certainty about who is responsible for your claim and I apologise for this.”
3. “Once again I apologise for your previous claims experience with Southern Response and will be monitoring the progress of your claim to ensure we meet those standards you refer to of transparency, timeliness and good faith.”

On 2 August 2018 an email from Anthony Honeybone had this line of apology:

1. “I have apologised to you for Southern Response’s previous management of your claim and the stress and frustration this has caused you.”

On 10 August 2018 an email from Anthony Honeybone contained these two lines of apology:

1. “I have apologized to you for how Southern Response has handled your claim and the stress and frustration that this has caused.”
2. “For the avoidance of doubt on the matter of violations of the ICNZ Fair insurance Code Southern Response considers that these issues have been acknowledged, investigated, we have apologized to you, dealt with issues of performance and personnel internally, provided you with a service commitment and a settlement path moving forward and set out clear next steps for your claim.”

Then on 12 June 2019, as part of the Significant Breach of the Fair Insurance Code process I received a reiteration of the apology, with the apology provided here:

> We write to offer a further apology for the claim experience you have had with Southern Response and outline an ex gratia payment (outside of policy entitlements) Southern Response intends to pay you as a gesture of good faith.
>
> **Apology for your claim experience**
>
> We have read and considered your complaint to the Insurance and Financial Services Ombudsman Scheme (IFSO) in detail. As I acknowledged in my email apology of 20 July 2018, there have been instances where Southern Response did not meet deadlines, did not communicate clearly with you, and imposed a deadline on you that was not reasonable for your personal circumstances. This is not the level of service I expect from our team.
>
> I understand from your recent IFSO complaint that you do not accept the earlier apology I provided.

I wish to reiterate that the apology was sincere and that following my 2018 review of your claim Southern Response undertook internal changes to both:

- improve our management of your claim (by adopting specific measures that included, for example, appointing a team leader to oversee your claim); and
- improve our claim management across our wider claim portfolio (by adopting measures that included, for example, providing additional training and supervision to claim staff and establishing more robust internal escalation and review process).

I would like to take this opportunity to apologise again for the stress and frustration your claim experience with Southern Response has caused you and the mistrust of Southern Response that this has engendered. There were specific areas where Southern Response should have provided you a better customer experience.

I specifically acknowledge and apologise for Southern Response's:

- **delay providing you with the 26 April 2017 (revision 2) Harrison Grierson report.** I acknowledge that Southern Response should have provided you with a copy of this report sooner and been transparent about the fact that the report was still under review. I apologise for our delay in getting this report to you and the lack of trust in Southern Response that this has clearly caused.

- **failure to explain clearly the early engineering advice and four remediation options as they evolved.** I acknowledge that Southern Response should have communicated with you more clearly, regularly and in more depth about the engineering advice and policy response issues earlier in your claim. There has clearly been some confusion about the similarities and differences between the four remediation options presented. This has been due in part to diverging communications between Arrow and the independent experts on policy response issues – for which Southern Response accepts responsibility. I also apologise for Southern Response's contribution to your confusion about the engineering options by referring at one stage to the current "Option D" as "Option A1". Your claim was complex from the outset and we apologise for Southern Response's failure to simplify the remediation options and claim process for you.

- **failure to treat you as vulnerable from an early stage.** In my previous 2018 apology I expressly apologised for the two week deadline that we initially communicated to you at a time when this was unsuited to your personal medical circumstances. I also apologise more generally for Southern Response's failure to enquire with you whether you required any additional support as soon as we became aware that you were grappling with medical issues.

- **overall delay in settling your claim.** In 2018 I apologized for Southern Response's previous delays in meeting deadlines. I also wish to apologise more generally for occasions in the claim process where we could and should have progressed your claim sooner. We also apologise overall for the total period of time it has taken to make a payment to you under the AMI policy. We trust your concerns about overall delay in resolving your claim will in part be addressed by the payment for repair costs that we intend to make on your claim shortly. I will send you a separate letter about this within the next seven days.

Appendix B

Going against engineering advice

These are a non-exhaustive list of lies made by Southern Response saying that we were the ones ignoring the engineering advice, when the evidence provided shows that Southern Response did not accept their own engineers advice.

This will be completed as work continues on this document

10 May 2018 from Samantha Groves

In regards to your claim the professional recommendation was to relevel the foundation and replace the Summerhill stone with a lightweight equivalent- being the 70 Series block (option A). Southern Response and Arrow followed the recommendation of the professionals engaged as this met the obligation of the AMI Premier House policy.

With regards to the heavy cladding, you stated "I spoke to senior managers to get approval to proceed with the possibility of the heavy cladding option even though this was not recommended by the professionals". In regards to your dwelling the engineering recommendations was to lighten the load for static bearing. Due to the preference to retain the heavy cladding on the dwelling we have requested the engineer to provide us with a suitable repair strategy to achieve this.

With regards to the heavy cladding, you stated "I spoke to senior managers to get approval to proceed with the possibility of the heavy cladding option even though this was not recommended by the professionals". In regards to your dwelling the engineering recommendations was to lighten the load for static bearing. Due to the preference to retain the heavy cladding on the dwelling we have requested the engineer to provide us with a suitable repair strategy to achieve this.

1) Everyone involved with this claim has been aware of the requirement to retain the heavy cladding since January 2017. It is not something new since you took on the claim. Heavy Weight cladding was not pursued as we would not go against our engineers . In the interest of trying to progress the claim I asked that Arrow explore alternative options to retain the heavy weight cladding.

With regards to the heavy cladding, you stated "I spoke to senior managers to get approval to proceed with the possibility of the heavy cladding option even though this was not recommended by the professionals". In regards to your dwelling the engineering recommendations was to lighten the load for static bearing. Due to the preference to retain the heavy cladding on the dwelling we have requested the engineer to provide us with a suitable repair strategy to achieve this.

1) Everyone involved with this claim has been aware of the requirement to retain the heavy cladding since January 2017. It is not something new since you took on the claim. Heavy Weight cladding was not pursued as we would not go against our engineers . In the interest of trying to progress the claim I asked that Arrow explore alternative options to retain the heavy weight cladding.
2) It's not "not recommended by the professionals". The initial reports only included an option to change to light cladding because they weren't asked to consider all options. After being asked to consider all options their recommendation was Option B. The original engineers report provided to us was based on their assessment and site observations and the information that they had available at the time. Following this you expressed your desire to retain the heavy weight cladding which has resulted in Arrow having explore other options to facilitate this which included option b and c
3) For some reason Southern Response has decided to go against the professional advice of the engineers and have come up with Option C a year after initial discussions. The reason for us exploring further repairs strategies was because we were trying to resolve the disagreement that we had regarding the cladding. Southern Response position is that we would be entitled to replace the cladding with the light weight 70 series block and that this would meet our policy obligations . However in recognition to try and progress the claim and resolve the issue we explored the possibility of the heavy weight cladding option even though this was not recommended by the professionals . As a result of this Harrison Grierson looked into our request and confirmed that it was feasible and what was required for this to occur.