

The complaint

Ms M is unhappy with National House-Building Council's handling of her property damage claim under her Buildmark home insurance warranty.

I'll refer to all NHBC representatives as NHBC throughout the decision.

What happened

Ms M made a claim under section three of her insurance within the 10 years the warranty allows for a valid claim. Ms M referred to damage in several different areas of the property:

- Render coming away at the back;
- Water marking render at the front;
- The front door at the wrong angle;
- Gable end wall cracking;
- Cracked kitchen floor tiles.

NHBC didn't accept the claim. In relation to the items it said – in the same order:

- There was no physical damage to the home, so this wasn't covered;
- The same for item two and this wasn't caused by a defect;
- Item three wasn't investigated as the insurance simply didn't cover this;
- The policy excludes shrinkage and there was no physical damage caused by a defect;
- Item five wasn't a structural issue. The policy excluded shrinkage and there wasn't any physical damage caused by a defect.

Unhappy with this Ms M brought her complaint to this service.

Our investigator didn't uphold the complaint. He referred to the wording which said NHBC would pay for any physical damage caused by a defect. He also noted shrinkage and damage that was purely cosmetic was excluded. Our investigator referred to the NHBC investigation report and the independent expert findings. Across the five areas claimed for he didn't think NHBC had made any errors. He said it acted reasonably when it declined the claim.

Ms M didn't accept this and asked for her case to be passed to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

The policy specifically states:

“What NHBC will not pay for

Damage caused by shrinkage, thermal movement or movement between different types of materials.

Damage which is purely cosmetic, such as minor cracking, spalling or mortar erosion to brickwork, which does not impair the structural stability or weather tightness of the Home or which only affects decorations.”

The items listed in both categories here are fairly standard when it comes to these policies so there's nothing in there that strikes me as being in anyway unusual. As you'll see from the above there are also general conditions that apply to the policy. The applicable ones here are;

- *Wear and tear.*
- *Damage caused by neglect or failure to carry out normal maintenance.*
- *Dampness, condensation or shrinkage not caused by a Defect.*

The policy refers to what is considered to be a defect:

“A breach of any mandatory NHBC Requirement by the Builder or anyone employed by him or acting for him. Failure to follow the guidance supporting the NHBC Requirements does not in itself amount to a Defect, as there may be other ways that the required performance can be achieved.”

I think these exclusions and wording details are clear and I'd say these are standard throughout the building insurance warranty market.

Render at the back of the property

NHBC said in its final response *“that the areas of concern would be considered as normal house maintenance. Under the terms of the Buildmark policy enclosed, you will find the General Exclusions for claims to NHBC on page 2. Part f explains that NHBC will not be liable for damage caused by neglect or failure to carry out normal maintenance. Therefore, this item is not valid.”*

The independent expert said: *“the paintwork is flaking under the window cills. I expect this is where the dpc expels water from the cills and was likely damp at the time the house was painted. The same can be said for the dining room rear elevation. Probably made worse with the plumbing leak. The render above the dining room window doesn't look well rendered but the render is sound and looks worse than it is as the paint is also flaking due to dampness for the pipe work.”*

So, with nothing to suggest there was anything within the wording to say this was covered I think NHBC acted reasonably when it declined to deal with this.

Water marking render at the front

NHBC said *“the render to this area was sound and there was no damp evident to either of the rooms at each side of the front door/hall. It was considered that water running to the end of the trapper bar was causing the damp staining. This has been caused by the level access at the front door blocking the weep holes to the trapper bar.”*

NHBC said although there was damage, it wasn't caused by a defect in a part of the home listed as covered. So, it wouldn't pay this. In line with the wording I think NHBC acted reasonably.

Front door at wrong angle

NHBC confirmed that in relation to the front door cover would only apply to the glazing panes. It said this part of the claim wasn't valid. In line with the terms and conditions I think that's reasonable.

Gable end wall cracking

NHBC's investigation report said *"cracking experienced internally and externally were due to shrinkage and thermal movement. Advice was given on how to remedy the issue as a part of normal household maintenance."*

The independent contractor said, *"This I took to be general shrinkage and settlement cracking."*

As noted from the wording at the start of the my findings section above, this is excluded and so I think NHBC reasonably said it wouldn't deal with this.

Cracked kitchen floor tiles

NHBC's investigation report referred to this *"the cracking was caused by thermal movement and shrinkage, which, as mentioned above, is not covered under section 3 of the policy. Page 13 also advises that NHBC will not pay for damage which is purely cosmetic, such as minor cracking, which does not impair the structural stability or weather tightness of the home. This item was not found to be structural."*

The independent expert made similar findings. So, I think NHBC acted reasonably when it said it wouldn't deal with this part of the claim.

Ms M did afterwards get an independent inspection done but this was many years later and NHBC said this didn't change the outcome. I think that's fair. I can only base my findings on what NHBC, and the independent expert found at the time and I think NHBC acted in line with the insurance wording.

My final decision

I don't uphold this complaint.

I make no award against National House-Building Council.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 27 April 2021.

John Quinlan
Ombudsman