

The complaint

Mr and Mrs T are unhappy House-Building Council (NHBC) has declined a claim they made on their NHBC Buildmark warranty.

Mr T has dealt with the claim and complaint throughout, so I'll refer to him only.

What happened

Mr T bought a new home. It was covered by a ten-year NHBC warranty which began in 2013. In 2019 he noticed a drainage inspection chamber lid wasn't sitting flat to the ground. When he looked inside the chamber, he found a problem and contacted NHBC.

NHBC declined the claim because it said there was no evidence of damage caused by a defect. Mr T complained but NHBC's position remained the same. He referred his complaint to this service and our investigator considered it. She said the policy only provided cover where there was both a defect and damage. She didn't think that was the case here and so it was fair for NHBC to decline Mr T's claim.

Mr T disagreed, so his complaint has been passed to me to decide.

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.

Having done so, I think NHBC has acted fairly, so I won't be asking it to do anything further. I'll explain why.

There has been some confusion about the warranty and what it covers, so I'll start by clarifying that point.

The warranty began in 2013 and lasts for ten years. The wording of the warranty remains the same throughout this time. It covers certain areas of the property only. I agree with Mr T that it includes the below ground drainage system. But the warranty doesn't cover all problems that may arise there.

For claims made three years or more after the start of the warranty, which is what happened here, NHBC will pay the cost of putting right any physical damage which is caused by a defect. So the warranty doesn't cover a defect on its own – the defect *must* have led to physical damage in order for a claim to be accepted.

Mr T has made a claim because he thinks an inspection chamber, which gives access to the drainage system below it, hasn't been installed properly. I understand the chamber is made up of a number of pieces or 'rings', which should be connected to each other so that they're held in place securely. But it appears that hasn't happened here and NHBC accepts some of the pieces are displaced from each other. Mr T says a similar problem may have occurred with other inspection chambers nearby.

NHBC's main reason for declining the claim is that this problem, even if it were a defect, hasn't caused physical damage. NHBC says that if this problem with the inspection chamber *had* caused physical damage, it would expect to see some sort of inconvenience within the drainage system – such as blockages or the drains failing to support the normal flow of water through them and backing up. It says no such problems have been reported.

In response to this point, Mr T has provided photos. They show the problem with the displaced pieces within the chamber. They also show the chamber lid doesn't sit level with the ground around it. But I haven't seen any evidence to suggest the problem has led to any physical damage.

Part of Mr T's complaint is that NHBC didn't examine the drain for itself. So it's possible there's damage which hasn't been found yet. NHBC has the option to inspect a property and carry out more investigations if required. But that won't always be necessary and it's not required to do this for every claim. If Mr T had reported the drainage system not functioning as usual, I may have expected NHBC to carry out a drainage survey. But that wasn't the case. Mr T spotted the problem due to the way the chamber lid was sitting, not because of the way the drainage system was functioning.

Without anything to suggest the drainage system had been impacted by the inspection chamber problem, I'm satisfied it was fair for NHBC to consider the claim on the strength of the information Mr T provided.

I accept Mr T has identified a problem and resolving it will come at a cost to him. But for the reasons I've given above I'm satisfied NHBC has acted fairly when considering and declining his claim, based on the terms of the warranty.

My final decision

My final decision is that I don't uphold Mr and Mrs T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 19 February 2021.

James Neville
Ombudsman