

## The complaint

Mr and Mrs T complain that National House-Building Council (NHBC) turned down their claim under a building warranty.

## What happened

Mr and Mrs T made a claim to NHBC after experiencing problems with their roof.

NHBC turned down the claim as it didn't think the repairs would meet the minimum claim value (MCV), as required under the policy for the claim to be accepted.

Mr and Mrs T arranged for their own contractors to inspect the roof and give repair estimates. Each of those exceeded the MCV. They therefore thought NHBC's decision to turn down their claim had been unfair, and brought a complaint to this service.

Our investigator didn't recommend the complaint be upheld. She thought NHBC's decision to turn down the claim had been fair.

I issued a provisional decision on 24 March 2021. Here's what I said:

*"Under section three of the policy, it says:*

*"We will pay you the full Cost, if it is more than £1,200 Indexed, of putting right any physical damage to your Home which is caused by a Defect in respect of any of the following parts of your house, bungalow, maisonette or flat, or its garage or other permanent outbuildings:*

*...  
g) roof coverings"*

*The MCV had gone up to £1,629 (due to indexation) by the time of Mr and Mrs T's claim.*

*NHBC's surveyor visited the property. He viewed the roof using binoculars, and thought there was evidence of mortar loss to the front verge. And that the damage was consistent with a weaker mix, which had allowed the mortar to debond. The surveyor thought the mortar used to the side and rear roof pitches was acceptable, as there wasn't excessive debonding to those areas.*

*The surveyor recommended the repairs be carried out (in other words, it was accepted by the surveyor that there was a defect in respect of the roof). He estimated the cost of the repairs to be £1,173.80.*

*As this was less than the MCV, NHBC turned down the claim. I think that decision was reasonable at the time, based on the information provided by its surveyor.*

*However, Mr and Mrs T then arranged for four contractors to assess their roof and provide quotes for the repairs. All of the quotes exceeded the MCV. They also included repair costs to the hip ridge tiles.*

*NHBC arranged for its surveyor to carry out a second assessment (at roof level), so he could check if there was other damage he hadn't previously identified. I think that was an appropriate response. However, the surveyor reached the same conclusions as he'd previously made.*

*I've looked carefully at the quotes that Mr and Mrs T obtained. Although they include the cost of repairs to the hip ridge tiles, two of the quotes separate the costs and I note that for repairs to the front verge alone, both those quotes exceeded the MCV.*

*NHBC says the cost of repairs would be the cost it would have to pay if it had arranged for the relevant work to be done. I agree the policy says this.*

*Often, insurers will have contracts in place with certain tradespeople, so that they receive a discount. However, NHBC's surveyor said he arrived at the repair amount of £1,173.80 based on industry costs. Therefore, this estimate wasn't based on a discounted cost that NHBC would pay if it arranged the work itself.*

*I'm satisfied Mr and Mrs T have shown the repair costs do exceed the MCV. It would therefore seem that NHBC's surveyor underestimated the industry costs to carry out the repairs. Consequently, I think the claim for the defect to the front verge should be accepted by NHBC.*

*I've also considered whether Mr and Mrs T have shown that NHBC should cover the cost of repairs to the hip ridge tiles.*

*One of Mr and Mrs T's contractor's said the ridge had a lot of moss growing out of the joints, which showed that water was penetrating the mortar work. They thought the mortar was therefore no longer fit for purpose. They also said the ridge was loose.*

*NHBC's surveyor has provided a detailed report based on his second visit, including photos. He concluded that, although there was moss growth, the mortar strength was performing. I think the photos provided support his conclusions.*

*I'm satisfied that NHBC's second inspection confirmed the mortar to the ridge wasn't failing, and therefore this wouldn't be included in the claim."*

I asked both parties to provide me with any further comments they wished to make before I made my final decision.

NHBC didn't provide any further comments.

Mr and Mrs T responded to say they accepted my provisional decision. They asked that NHBC pay a cash settlement so they could use their own contractor (the cheapest quote they obtained).

### **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.

As neither party has provided any further comments on my provisional findings, I see no reason to change these.

Mr and Mrs T have asked if NHBC can pay a cash settlement. Under the policy, NHBC says

it will pay the consumers the full cost of putting right the damage. I'm satisfied that NHBC can therefore make a cash settlement.

I've seen the quotes Mr and Mrs T have provided, and they've asked that NHBC pay the cheapest one. I think that's reasonable. For the repair work to the front verge alone, this amounts to £1,800 (including VAT). It will be up to NHBC whether it pays the settlement in advance of the work, or after it's been done.

### **My final decision**

My final decision is that I uphold this complaint. I require National House-Building Council to accept the claim for the damage to the front verge, and pay the cheapest quote that Mr and Mrs T obtained, in line with the remaining policy terms.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 5 May 2021.

Chantelle Hurn-Ryan  
**Ombudsman**