

The complaint

Miss M complains about the way National House-Building Council trading as NHBC (“NHBC”) have handled a claim on her Buildmark policy following water damage to her home.

What happened

The background to this complaint is well known to both parties and largely not in dispute so I’ll only summarise it here.

- Miss M observed water stains to her kitchen ceiling and engaged a builder to investigate the cause. And she notified NHBC and subsequently provided it with a copy of the builders’ report.
- NHBC accepted the claim and offered a cash settlement for the works it said were required.
- Miss M wasn’t happy with the settlement and disputed the scope of works which didn’t address all the work outlined in the report from her builder. She also advised of water damage to other parts of her home.
- NHBC considered the new damage, to the lounge ceiling, wasn’t related to the original claim, and dealt with it as a separate incident. And after investigating the claim it said the damage wasn’t caused by a defect covered under the policy, so it declined this claim.
- Miss M obtained an engineer’s report in addition to the report she’d received from her builder and this recommended repointing of the property to prevent further damp ingress.
- Miss M wasn’t happy the claim being declined and complained to NHBC. She instructed her builders to proceed with the works the builder and her engineer had recommended and asked NHBC to reimburse her for the costs and for the inconvenience she’d experienced.
- In its final response NHBC confirmed the declination of the second claim and Miss M brought her complaint to this service.
- Our investigator didn’t feel there was enough evidence to suggest that the staining to the lounge ceiling was due to a defect covered under the Buildmark Policy. She noted the structural engineers and builder had recommended the whole property be repointed, and cavity trays be fitted to prevent future damp issues. But she felt NHBC are only required to pay the cost of putting right a defect if it has caused damage and couldn’t recommend NHBC pay the full costs Miss M incurred.
- Miss M remained unhappy and asked that an ombudsman decide her case

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 agree with our Investigator's decision, and largely for the same reasons.

I note NHBC accepted the first claim Miss M made, for damage to her kitchen ceiling. The policy terms and conditions set out that it must either carry out the necessary repairs or pay the amount it would've cost them to put right the defects. Miss M used her own builders and therefore NHBC made a cash settlement. I've seen the schedule of works prepared by NHBC and am satisfied it includes all the works required to put right the damage caused by the defects identified, and the cash settlement is fair.

In respect of the second claim, for damage to the living room I've considered all the reports provided and am not persuaded that the damage to the living room is caused by the house builder not complying with NHBC Technical Requirements during construction. The Buildmark policy, like all insurance policies covers specific events set out in the policy. Section 3 of the policy states the following:

"What NHBC will do

1) 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:

a) foundations;

b) load-bearing walls;

c) non load-bearing partition walls;

d) wet-applied wall plaster;

e) external cladding, curtain walling, external render

and external vertical tile hanging;

f) load-bearing parts of the roof;

g) roof coverings;

h) ceilings;

i) load-bearing parts of the floors;

j) staircases and internal floor decking and screeds where these fail to support normal loads;

k) retaining walls necessary for the structural stability of the house, bungalow, flat or maisonette, its garage or other permanent outbuilding;

l) double-glazing or triple-glazing panes to external windows and doors;

m) below-ground drainage for which you are responsible.

Alternatively, we may at our option arrange to get the necessary work done at our expense."

NHBC have identified the staining on the living room ceiling is approximately 400mm from the rear wall, and in a different part of the house to the damage it accepted the claim for. It has also shown damp readings showing no signs of raised moisture levels. It suggests these findings indicate the damage is not caused by penetrating dampness to the wall, and the most likely cause of the damage was a discharge of water in the bathroom above the lounge.

I don't doubt the content of the reports Miss M has provided, and indeed NHBC accept there were defects that caused damage to the kitchen ceiling. However, these reports do not specifically mention the damage to the lounge ceiling or how it was caused.

I'm also mindful that the engineers report recommends work to prevent further damp ingress, specifically repointing the whole of the property. The policy pays for damage that has occurred and it's not reasonable for NHBC to pay for damage that hasn't occurred.

I do appreciate this will have been a difficult time for Miss M given the extent of the works carried out to her home. But I can't expect NHBC to pay for alternative accommodation as the works necessary to repair the damage covered under the policy did not necessitate her leaving the property. And an element of disruption whilst repairs are carried out is inevitable.

In the circumstances of this case I find that NHBC have acted reasonably and I won't be asking it to do anymore.

My final decision

For the reasons above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 4 April 2022.

Martyn Tomkins
Ombudsman