

The complaint

Mr and Mrs K's complaint is that National House-Building Council trading as NHBC unfairly turned down a claim made under their building warranty policy.

All references to NHBC include its appointed agents.

What happened

The circumstances of the complaint are well known to both parties, so I won't repeat them here.

The main fact in dispute is whether the water test that NHBC conducted when investigating leaks to a separate roof claim also evidenced that cracks to the render weren't watertight either. Mr and Mrs K say it did, NHBC says it didn't.

Our investigator looked at everything and didn't recommend the complaint be upheld. They concluded NHBC had successfully applied an exclusion in cover. This said that cracking to the render wasn't covered if it didn't affect the structural stability or weather tightness of the home. And they were persuaded that any water ingress which had entered the property as a result of NHBC's tests was unrelated to the cracked mortar.

Mr and Mrs K disagreed. They provided a further timeline of events and said in summary:

- NHBC had acknowledged that the cement boards underneath the mortar weren't fixed correctly, and consequently the boards continue to move and cause cracking.
- NHBC's own water test showed that water does indeed ingress the property through the cement board cracks. Therefore, the cracks aren't cosmetic but instead tangible pathways which lead water into the property.
- The gaps across the property are widening with time and thereby increasing the chances of further water ingress elsewhere.

The complaint has now 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 agree with the conclusions reached by our investigator for these reasons:

- It's not in dispute that there's damage to the property, and the evidence shows that the damage is consistent with issues which have most likely breached the technical requirements of a new build property.

- But Mr and Mrs K's policy excludes "*cracking, spalling or mortar erosion, which does not impair the structural stability or weather tightness of **your home***". So, I need to decide if NHBC has acted fairly in relying on this exclusion to turn down the claim.
- I've considered that Mr and Mrs K got in touch with NHBC around 12 months after it had initially turned down the claim. And they referenced a recent water test from around October 2021 where water was flushed against the external wall. They say this resulted in significant internal water ingress and in order to minimise further ingress NHBC made a temporary repair to the cracks.
- NHBC says the temporary repair was already in place when it carried out the test around October 2021 and provided photos to show this. It says it believes the repair was applied around February 2021 after a previous investigation.
- Having considered both points of view and the available evidence, I'm more persuaded by NHBC's conclusion. On balance I'm not persuaded that the investigations have shown that the water ingress is linked to the cracks in the render. So, it follows that NHBC has acted reasonably in turning down the claim.

For these reasons, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint about National House-Building Council trading as NHBC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 26 August 2022.

Dan Preveatt
Ombudsman