

Complaint summary and background

Mr S complains National House-Building Council (NHBC) has unfairly declined a claim he made under a buildings warranty policy.

NHBC claims an exclusion applies as Mr S had previously reported the matter of efflorescence from the bricks and missing mortar, to the builder of the property within the first two years of the policy. It has therefore said it is not required to consider the matter further under the warranty policy.

Ms S disagrees and asserts the matters are separate as he was unaware of the severity of the issue originally.

Our Investigator looked at the complaint and let Mr S know she felt NHBC had fairly applied the policy exclusion. Mr S disagreed and asked for the complaint to be looked at by an ombudsman.

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 the investigator for the following reasons:

- The policy contains an exclusion which means that anything previously reported to the builder within the first two years of the policy (the builders liability period) would not be covered by the warranty policy.
- The efflorescence reported by Mr S to the builder is a symptom/sign of a deeper issue. However, I appreciate at the time Mr S reported this to the builder he thought that it was simply a cosmetic issue.
- While further investigations, some years later, have now exposed the fact the mortar used in the building of the property may be insufficient, I have to consider whether this issue is separate to that which was previously reported.
- Having considered everything, I think the matters are sufficiently linked which means it would not be considered a new issue. Simply because Mr S wasn't aware of the full extent of the problems with the mortar, which was a cause of the efflorescence, when he reported the matter to the builder, doesn't automatically mean this is an issue that should now be covered under the warranty policy.
- All insurers will decide what cover they wish to provide under a policy and will exclude circumstances where they specifically do not wish to provide cover. This isn't unusual.
- Having considered the exclusion NHBC have highlighted, and the circumstances of

the claim Mr S wishes to make. I don't think NHBC have applied the exclusion unfairly.

For the reasons above, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold Mr S's complaint against National House-Building Council.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 September 2022.

Alison Gore
Ombudsman