

## **The complaint**

Mr L and Miss B complain that National House-Building Council ('NHBC') turned down a claim under their building warranty. They're also unhappy about NHBC's handling of the claim.

## **What happened**

Mr L and Miss B's property is covered by a ten-year warranty provided by NHBC that started in 2019. After Mr L and Miss B moved into the property in 2023, they noticed cracks in the parapet walls of the roof terrace. They made a claim to NHBC in September 2023.

NHBC assessed the claim, and arranged for Mr L and Miss B's property to be inspected. In March 2024, Mr L and Miss B complained about the time it was taking for NHBC to make a claims decision.

NHBC issued its first final response to the complaint on 15 April 2024. It accepted it had caused a delay between 7 January 2024 and 20 February 2024, and offered Mr L and Miss B £100 compensation for this. It confirmed a further visit was due to take place to their property, and neighbouring properties, on 18 April 2024.

On 23 April 2024, NHBC turned down the claim. It said the warranty excluded cracking that doesn't damage the structural stability of the property.

Mr L and Miss B were unhappy with NHBC's compensation offer for its handling of the claim, and its later decision to turn down the claim. NHBC issued a second final response on 14 August 2024, and maintained its decision to turn down the claim. Mr L and Miss B asked this service to consider their complaint.

Our investigator didn't recommend the complaint be upheld. She thought NHBC's decision to turn down the claim had been reasonable, and that the £100 it had offered for the delay in its handling of the claim was fair.

Mr L and Miss B didn't accept our investigator's findings, and so the matter has been passed to me for a decision.

## **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.

I've noted Mr L and Miss B's request that I call them before reaching my decision. However, I'm satisfied that I have enough information to decide this complaint without speaking to them. Though I'd like to reassure them that I've considered all the points they've made, even if I haven't commented on everything.

The warranty says:

*'You cannot claim for the following:*

*...*

- Cracking, spalling (a chip, fragment, or flake of masonry coming off the main structure), or mortar erosion that does not damage the structural stability of your home or mean that it is no longer weather tight'*

NHBC inspected the property in November 2023, and established there was cracking to the brickwork as well as loose bricks, but no water ingress. As the cracks affected party walls with neighbouring properties, NHBC needed to contact the owners of those properties. I understand Mr L and Miss B provided their neighbours contact details on 7 January 2024. NHBC has accepted it caused a delay here, as it didn't contact the neighbours until 20 February 2024.

Meanwhile the original builder of the property carried out their own inspection, and agreed to carry out repairs to one wall shared with a neighbouring property. NHBC had concerns about this, as it had found cracks on another wall too (shared with the other neighbour). NHBC wanted to carry out further investigations before any repairs were done, and Mr L and Miss B agreed to this.

By 6 March 2024, NHBC had received authorisation from the owners of the neighbouring properties to continue with their investigations. NHBC therefore arranged for a further inspection to take place the following month.

The inspection report dated 19 April 2024 found the damage to be consistent with shrinkage, settlement, thermal movement or movement between different types of materials. It was confirmed the repair required the cracks to be re-pointed.

The original builder then completed the repair in July 2024. Mr L and Miss B have explained that the builder didn't only re-point the bricks, but also added expansion joints to the walls. They think it's clear from the cracks that the corner of the parapet walls had been suffering from wind load, and that this caused the cracking. They say the builder has implicitly acknowledged this by adding the movement joints.

The first of NHBC's inspections established there were cracks but no water ingress. The second inspection took place some months later (which included the neighbouring properties), and again there were found to be cracks, but this was thought to be due to shrinkage, settlement, thermal movement or movement between different types of materials.

NHBC has pointed out to this service that there was no evidence of progressive or significant damage since the first inspection (as might be expected if there was structural damage).

NHBC also obtained further comments from the investigator that carried out the second inspection. They thought the nature of the cracking was more consistent with lateral shrinkage but there was the possibility of vertical movement too. So it's not in dispute that there was some movement.

I appreciate the repair included the installation of expansion joints, however this doesn't mean the structural stability of the property was affected. Mr L and Miss B haven't provided any expert evidence to suggest that NHBC's conclusions in respect of the structural stability of the property or its weather tightness were wrong. I therefore find that it was reasonable for NHBC to rely on the exclusion to turn down the claim.

NHBC accepts it caused around a six-week delay in its handling of the claim, and I would agree. However, I think the £100 compensation NHBC offered for this was reasonable in the circumstances.

I recognise that the original builder had agreed to do repairs in early 2024, and NHBC's further inspection meant the repair ended up being delayed until July 2024. However, the builder only agreed to repair one wall initially, and NHBC had found cracks to another wall too. It doesn't seem unreasonable for NHBC to have wanted to complete its investigations (which included inspections of the neighbouring properties) in order to establish whether the structural stability of the property had been affected. Though NHBC did leave this decision up to Mr L and Miss B, and they chose to allow NHBC to complete its investigations. I don't think NHBC did anything wrong here.

Mr L and Miss B are concerned the repairs may not resolve the problem, and want NHBC to register that the problem first arose within the warranty period. Though NHBC already has a record of the issue. If the repairs don't resolve the problem, and Mr L and Miss B are concerned about the structural stability of the walls or there's water ingress, they should let NHBC know so it can look into this further.

### **My final decision**

My final decision is that National House-Building Council has already made an offer to pay £100 to settle the complaint in respect of the delays, and I think this offer is fair in all the circumstances.

So my decision is that NHBC should pay £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Mr L to accept or reject my decision before 24 December 2024.

Chantelle Hurn-Ryan  
**Ombudsman**