

The complaint

Mr B and Mr B have complained that National House-Building Council (“NHBC”) declined a water damage claim.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again in detail here. In summary Mr B and Mrs B bought a new home in March 2017 which is covered by a Buildmark insurance policy underwritten by NHBC.

Mr B and Mrs B sought to claim under the policy in 2020 regarding damp issues to the ground floor of their property. Investigations concluded that there were no defects with the drainage system but a split washing machine hose was found to be the probable cause of the damp. Mr B and Mrs B were advised to contact their home insurer.

In 2023 Mr B and Mrs B complained that the issue regarding their floor tiles had been overlooked. However NHBC considered that this was part of the original claim in that the water leak led to the tiles lifting. This claim was also declined and NHBC referred Mr B and Mrs B to their home insurer.

Unhappy that neither NHBC nor their home insurer accepted responsibility Mr B and Mrs B referred their complaint here. Our investigator didn’t recommend that it be upheld. They didn’t find that NHBC had done anything wrong.

Mr B and Mrs B appealed. I issued a provisional decision saying as follows:

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Although I’ve summarised the background to this complaint, no discourtesy is intended by this. Instead, I’ve focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. In this decision I am only considering the actions of NHBC.

The regulator’s rules say that insurers must handle claims promptly and fairly. And that they mustn’t turn down claims unreasonably. So I’ve considered, amongst other things, the relevant law, the policy terms and the available evidence, to decide whether I think NHBC treated Mr B and Mrs B fairly.

Having done so I agree with the conclusions reached by the investigator for these reasons:

- *Section 3 of the policy states: This section protects you if there is physical damage to your home because the builder failed to build the following parts of your home to meet the NHBC requirements. This would include the home’s drainage. The expert reports overall show no issues with the underground drainage. This includes evidence from drainage specialists using a CCTV survey in March 2021 and a report from another drainage company in June 2023. So I don’t find that it was unfair for*

NHBC to decline this claim. However there is evidence that there was an issue with the connection to the washing machine.

- Regarding the second claim for the kitchen floor tiles lifting, NHBC concluded that the damage was associated with a leak – as there was no evidence of damage to the screed beneath the tiles. It also relied on a policy exclusion which states: You cannot claim for... Damage which only affects floor coverings such as tiles. In the light of this I don't find that NHBC unfairly declined this claim either. I do note that there was a small area of crumbled screed in a different area, the cause of which couldn't be determined. But NHBC said the cost to rectify this would be below the minimum claim value on the policy, and I've seen nothing to persuade me that this wasn't so.*
- I have also considered the contractor's report produced in October 2023 when Mr B and Mrs B made a claim on their home insurance. Although unable to identify any leaks, the report suggested that there was external water ingress, and there could be ground moisture penetrating up that had not been ongoing for a long period of time. But there was no evidence of nitrate salts being deposited following tests. As these tests were carried out three years after an initial inspection, I'm not persuaded that the issue was rising damp – as if this was the case chlorides and nitrates would usually be present on testing. Likewise, as the damage was around internal walls, I'm satisfied that it was reasonable to rule out rainwater.*
- On balance therefore the evidence does persuade me that NHBC treated Mr B and Mrs B fairly when declining their claims. However, it has said that it is prepared to consider any new evidence, and if that evidence should cause it to change its position, it will cover the cost. I think that is fair too.*

My provisional decision was that I didn't intend to uphold the complaint.

I invited further comments or evidence but explained that unless the information changed my mind, my final decision was likely to be along the lines of my provisional decision.

Neither party responded.

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 I have received no further information or evidence, I adopt the reasoning in my provisional decision, set out above, here.

My final decision

My final decision is that I don't uphold this complaint about National House-Building Council.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 11 September 2025.

Lindsey Woloski
Ombudsman