DRN-5797226

The complaint

Mr and Mrs R have complained about their building warranty insurer Society of Lloyd's (SOL) as it said eight out of the ten issues they had claimed for were not defects – so it was not liable for rectifying them under the warranty (one of those eight items has since been accepted by SOL as a defect covered by the warranty).

Mr R has mainly dealt with the claim and complaint. For ease of reading, I'll refer mainly only to him in the body of my decision.

What happened

Mr and Mrs R's home was formerly a property used for non-residential purposes. It was converted into the home they now live in, with the developer having taken out a structural warranty for the property with SOL. Within the first two years after completion, the developer went into liquidation and Mr R approached SOL to resolve some issues he'd been expecting the developer to sort out.

There were ten issues Mr R claimed to SOL for. For example, necessary repairs to high-level brickwork, a "defective" heating control system and water damage. SOL said all but two were declined as they were not "defects" as defined and covered by the warranty and/or were excluded from cover. When Mr R complained it maintained that decision. It confirmed the two items would be further investigated – damp and a problem with the bi-fold and extension doors. In its complaint response SOL also noted Mr R had referenced (in addition to the original list of ten) another three issues in his correspondence with it. SOL said claims for those items needed to be made before it could consider them.

Mr R remained unhappy overall and complained to the Financial Ombudsman Service. Subsequently, upon receipt of further evidence from Mr R, SOL agreed to review, and later accepted as a defect, another of the eight issues remaining from the original list of ten claimed for – a roof light.

Our Investigator noted that whilst SOL had said the remaining items did not amount to defects, it had not told Mr R why it had taken that view. She commented on each item and said SOL should accept the misted canopy glass was defective, as well as that it should consider the water damage which had resulted from the defective roof light. She said SOL should also share with Mr R why the other items claimed for weren't, in its view, defects.

Mr R didn't think the view answered all the claim decisions he was unhappy about. He particularly wanted an answer on SOL's later decision made regarding the bi-fold doors – made, following its complaint response letter, after its further investigations were undertaken. He provided comment on the other claim issues too.

SOL said it did not agree with the outcome. It maintained the issue with the canopy glass was not a defect.

The complaint was referred to me for an Ombudsman's decision. Having considered the complaint details I was of the view that the claim, for eight issues which SOL said were not

defects and/or were excluded from cover (although it later accepted the roof light was a defect), was declined fairly by it. So I decided to issue a provisional decision to explain my views in that respect. And also to set out that I wouldn't be issuing any findings about the later claim decisions SOL made regarding damp and the bi-fold and extension doors. I said I considered the roof light issue to be settled, so I wouldn't comment on that either. I noted that those three issues were numbers 1, 7 and 10 respectively of the ten items listed by Mr R and initially claimed for. I explained that my provisional decision would, therefore, focus on the seven other items from that list – items 2 to 6, 8 and 9.

My provisional decision was shared with both parties. SOL did not reply to it. Mr R said he disagreed with it.

Mr R said he'd expected me to tie SOL's decline to precise policy wording, the QTR and the finishing standards document along with detail from the web page and promotional material. As such he's still unclear how SOL can decline something for "snagging" a term not defined in the policy, and where the policy terms are broad with no interpretation or justification.

He said there's a clear conflict of interest and that should be considered here, as part of this complaint as otherwise its completeness might be undermined. Mr R said that there were also some key legal principles that needed to be taken into account, particularly the Consumer Rights Act 2015. In that respect he feels the policy terms create an imbalance/unfairness. He said I should also take into account SOL's overall rejection rates for claims, which he suggested would likely be high above its competitors.

Mr R said the marketing material is relevant because it sets expectations for warranty holders and they will rely on that as well as any policy wording. He explained that the word "guarantee" means SOL is making a promise to put right faults. If SOL meant that in a much more restrictive way, and more restricted compared to comparable policies, it needed to make that clear.

He explained that, in his view, every claim he had made would have been met by the developer if it had not ceased trading. He said he'd reasonably expected SOL to 'step-in' to that role. He said that it's impossible to move into a new home without there being some issues which will need resolving. So it's unfair for SOL's warranty to not cover anything which was known about before completion, especially as this clause is not found in other new build warranties.

Mr R asked that his concerns about the doors (item 7) were considered. He offered some specific responses to the findings I'd set out on items 2 to 6, 8 and 9. He said SOL should have to share with him all its investigative actions and findings relevant to his property and claim. He requested that a compensation award was made, noting he had spent five hours alone replying to my provisional decision. He said any compensation should "reflect a clear message as to how claims need to be dealt with to stop [SOL] doing this to other policyholders who do not have [his] skills and perseverance".

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 can be seen from my summary above, Mr R, in response to my provisional findings, provided a substantial reply. He's made many points but he's also commented specifically on the claimed items, discussion of which were the focus of my provisional findings. Before I comment on the other points Mr R made in reply then, I'll first look at what Mr R said about

each claim item. For ease of reading, below, I've quoted, in italics, my provisional findings, along with Mr R's replies and my final responses on those matters.

2, high-level brickwork repair

I said provisionally:

"Mr R explained that external brickwork is damaged on an upper floor. He said work is required to prevent damage occurring and referenced a report by a specialist restorer (given the age of the building). He said SOL hadn't taken any of this into account. SOL said this was part of the building prior to its change of use and it was visible to Mr R when he completed the purchase of the property. Mr R said it was impractical and unfair to think of anything as known about at completion to be excluded. SOL said this isn't a defect.

I appreciate Mr R's views about what the warranty should practically and fairly offer cover for, I know he feels that some advertising for the warranty may be misleading. However, the warranty terms, affording cover to Mr R as a homeowner, are clear – SOL will be liable, in certain circumstances, within the first two years of the life of the policy, for resolving "defects" which existed at completion of the property but which were "undiscovered or not known to exist". Mr R has said that at the time of completion, in autumn 2023, the brickwork repairs were pending but on hold until more clement weather allowed safe repair. As I understand it the developer went into liquidation the following spring, meaning the work wasn't done.

Given Mr R's explanation the issue was known about at the time of completion, so it was not "undiscovered" or "not known to exist". As the warranty definition for "defect" specifically requires the issue to be "undiscovered" or "not known to exist" at completion, I'm satisfied SOL has acted fairly and reasonably in declining this part of Mr R's claim."

Mr R said he'd like me to offer an opinion about what I think an average consumer would expect from having reviewed SOL's warranty's website and promotional material. He said surely all of this means that no-one buying a home should ever get a survey because they will then have no benefit from the warranty. The term is so important, Mr R said, that it needs highlighting – but then no-one would want the policy. And, it has an unequal impact on the policyholder meaning it should be ignored. Mr R said it's relevant that this defect did not prevent moving in.

I appreciate Mr R would like me to offer a view on SOL's marketing information. But that detail does not form the contract under which the claim is assessed. Nor did Mr R buy the policy – so he was not sold it based on marketing information. My review focuses on what the policy provides and whether SOL has responded reasonably given the policy terms. Which I'm satisfied it has done.

I note Mr R's concerns about the term needing highlighting and that it causes an imbalance. This Service does have an approach regarding these issues. We say a significant and unusual term should be highlighted – but this term is not significant or unusual. In any event the reason for that approach is to allow the consumer purchasing the cover to decide whether to accept the term or shop around. As I said, Mr R did not buy this policy – the developer bought it.

I appreciate Mr R's views. Having considered them, my view on this point hasn't changed.

3, replacement of canopy glass

I said provisionally:

"Mr R said there is a piece of double glazing which has 'blown', meaning water or moisture is getting between the panes. He thinks this is clearly a defect. SOL said whilst the pane was 'misting' it still functioned as a watertight window and there was no breach of its quality standards document, the QTR, or Building Regulations. It didn't accept this was a defect.

I said above a defect must be undiscovered or not known to exist at completion. But the definition for defect also says that the issue must be due to a breach of the QTR or Building Regulations by the developer. If there is no breach, then the issue is not a defect.

On reviewing this I'm mindful that Mr R has since had the unit replaced and that when the old one was taken out, the area between the panes was filled with water. However, I'm also mindful that SOL has said the purpose of the QTR is to ensure the structure of the home stays watertight in such a way as it prevents water ingress to the inside of the property. Water ingress, around this particular piece of glazing, does not seem to have been an issue – it was specifically the failed seals on the double glazing unit which Mr R claimed for. I've seen nothing in the QTR or Building Regulations which would make me think that failure reasonably amounts to a defect SOL should be covering under the warranty. I'm currently satisfied its decline of this part of the claim was fair and reasonable."

Mr R said, as the Investigator had found in his favour in this respect, my findings make no sense. He said the glass continued to deteriorate to the point he acted to resolve the issue and by then the seals were fully blown. He said the policy documents don't mention windows directly and there's no relevant exclusion. Mr R said it was necessary, to determine if this is a defect, to consider the Glass and Glazing Federation (GGF) guidelines as well as the Building Regulations and the QTR. He set out his views on the GGF. Regarding the Building Regulations and QTR, he explained they require all glazing to meet thermal and U-value ratings – which a blown unit would not. So, Mr R argued, the blown window is a defect.

I realise my provisional finding on this would likely have been disappointing for Mr R. However, when a complaint is referred for an Ombudsman's consideration, the Ombudsman reviews everything afresh. We are not bound to find as the Investigator did. On occasion the Ombudsman will take a different view to that reached and shared by our Investigator. When that happens the Ombudsman will issue a provisional decision, as I did here, to share their views, which supersede those of the Investigator.

I was aware, and noted provisionally, that Mr R had opted to replace the unit, and when he did so it was full of water. I explained why I didn't think this issue was a defect as defined by the policy. I've considered here what Mr R has said about the GGF. But as I noted in my provisional findings; "Where an insurer has set out a specific definition for a term, as SOL has here, it isn't generally felt appropriate to add to that definition to widen its scope…. With the QTR and Building Regulations being the only two measures SOL has chosen to apply to determine if something amounts to a defect". The GGF guidelines are not part of the QTR or Building Regulations, nor referenced by them as an additional source.

I don't doubt what Mr R says about a blown window not keeping its thermal or U-Value. Ratings which I understand are required by the Building Regulations and the QTR. However, in this respect I'd draw Mr R back to the warranty definition for defect. The warranty says a defect "must have existed at completion". The window in question was not 'blown' at completion. Mr R argues that, because it became blown it didn't meet the thermal and U-Values – so it arguably met them until the seals failed and it became 'blown'. Meaning it's most likely that, at completion, the window was not a "defect" as defined by the warranty.

I appreciate Mr R's views. Having considered them, my view on this point hasn't changed.

4, heating control system
I said provisionally:

"This is about how the heating is controlled in the property. As I understand it part of Mr R's purchase agreement with the developer for the property was that the home's heating system would be a "smart" one, capable of remote programming and operation. Seemingly this was not installed/implemented as agreed and Mr R views the system, therefore, as defective (likening it, Mr R says, to a car which you can only open with a key, not the fob – it works but not as designed/intended). SOL says this is a contract dispute not an issue of a defect ie a breach of the QTR or Building Regulations.

I note SOL has provided the Building Regulations for heating. They don't suggest a system must be smart powered. SOL provided the QTR. Of relevance here, there should be "adequate whole house heating and water supply", which are constructed so they are "provided with adequate controls to allow their operation".

I've considered then what Mr R has said about the heating. I'm mindful that his comments focus on the lack or inability of the system to respond to or be operated remotely. He doesn't suggest the heating and water supply to the house isn't adequate. Also, in his analogy of the car, Mr R seems to acknowledge that the system works, just not as designed/intended. He said elsewhere to SOL that the system didn't work as contractually specified. So I think it's fair to say the system complied with the relevant parts of the QTR I've detailed above – but the "adequate" controls provided just weren't what the developer had promised to Mr R.

The warranty with SOL is not so wide reaching that it means SOL takes on every liability the developer may have had in respect of the homeowner. I know Mr R thinks that the warranty is a wide ranging 'guarantee' that will stand in the stead of the developer in the event they aren't around to fulfil their liabilities – but that is not the remit of the warranty. Rather the warranty offers certain cover for defects and damage at certain points in its life. I'm satisfied SOL has reasonably shown the issue with the heating control system was not a defect covered by the warranty. It follows I'm satisfied that its decline of this claim point was fair and reasonable."

Mr R said a decision needs to be made on this issue. He said the wi-fi room-thermostats didn't work, the heating system couldn't be programmed and the hot water couldn't be controlled. He said he had acted to make sure the design installed actually worked as specified. Mr R noted there was no reference to any policy clause which stated why this is not a defect. And a "heating system control that doesn't control" must be a fault and, therefore, a defect.

I did explain provisionally, as can be seen from my quoted paragraphs above, what my decision on this aspect was. In doing so I noted Mr R's analogy, where he said the system does work but not as designed. That seems slightly at odds with the detail provided in reply – with Mr R's more recent comments suggesting the system couldn't be controlled at all. However, I also note from Mr R's recent comments that his repair has allowed the system to "work as specified". So I still think, on balance, this is an issue of 'specification', rather than "adequate supply and controls for operation" not being provided on completion.

Mr R, I trust, can also see in my quoted provisional findings that I did explain why, in reference to the policy, this issue is not a defect. I won't repeat my explanation in that respect. I note Mr R has added that a 'fault' – a system which does not perform as required – must be a defect. But again, I'd draw Mr R back to the warranty definition for defect. It is not so broad as to say a defect equals a 'fault' or a system merely not working properly. The warranty says a defect is a breach in the QTR or Building Regulations. And I explained

provisionally why I was satisfied that SOL's view, that there was no breach, and so no defect, regarding the heating control system, was fair and reasonable.

I appreciate Mr R's views. Having considered them, my view on this point hasn't changed.

5, significant poor quality paintwork
I said provisionally:

"SOL said this was cosmetic damage and specifically excluded from cover. Mr R initially said the work was poor and needed resolving in line with a finishing standards document. However, he later accepted that some of the paintwork might be viewed as 'cosmetic' – meaning SOL wasn't reasonably liable for resolving it. But he said some issues with the paintwork were because of large cracking due to expansion joints not being used. He said that means there is a defect so the paintwork should be addressed.

When providing some detail to our Investigator on the claim points, SOL said the decorative issues it was asked to assess were hairline cracks of no more than a millimetre. It provided some photos. Although none of the photos showed any measuring equipment the cracks do seem to me to be slight and fairly fine. I bear in mind Mr R has said the cracks he is concerned about can easily fit a pound coin in. That does seem to me to be more than cosmetic – but it also seems to me to not really be an issue with the finish of the paintwork.

I haven't seen that Mr R raised issues of significant cracking – cracks wide enough to slide a pound coin into – to SOL as part of the claim made for the ten items in discussion here. I suggest that if Mr R wants SOL to review these significant cracks, he approaches it to make a claim. If, however, SOL accepts and/or Mr R can evidence, that cracks of this magnitude were previously bought to SOL's attention whilst considering the claim Mr R made for ten items, I'll likely issue a remedy requiring it to consider a claim in that respect now.

To be clear, aside from the cracking which Mr R has said is significant, I'm currently satisfied that SOL made a fair and reasonable decision when it said it was not liable for unsatisfactory paint finishes. The finishing standards document Mr R has mentioned is not part of the QTR, nor referenced in the warranty definition for "defect". SOL's shown that such an issue is not relevant to the Building Regulations, with the QTR requiring decoration is completed to "adequate basic levels of visual quality". The photos I've seen seem to support that was done here. Even if I accept that was not the case and there is a breach of the QTR, there is an exclusion for cosmetic damage "such as minor cracking…which only affects decorations".

Mr R's response in this respect focussed on the issue of expansion joints (which he refers to as movement joints). He set out detail explaining why, if they are not installed, that would amount to a defect. He suggested an independent inspection should be arranged.

I note what Mr R has said. But he'll likely note from my provisional findings that I said I won't consider the issue of expansion (movement) joints – which he thinks are missing which has caused significant cracking – within this decision. The absence of movement joints was not one of the listed defects Mr R claimed for from SOL, which it declined and Mr R then complained about. I consider complaints, I don't handle claims. Mr R, if he wants the issue of movement joints to be considered by SOL, will have to make a claim to it in the first instance. If he is not happy with its decision on that claim, he can make a further complaint.

As neither SOL nor Mr R have offered any comment regarding my findings about the complaint on SOL's claim outcome for poor quality paintwork, I won't review or revise what

I said in that respect. My view, that SOL's decision to decline that claim was fair and reasonable, remains unchanged.

6, damaged kitchen units
I said provisionally:

"SOL said this was a minor dent/scuff to an end panel, it was cosmetic damage in its view, affecting the decorative finish but not the functionality of the cupboards. It felt this was not covered by the structural warranty, with cosmetic damage being specifically excluded. Mr R said this type of damage is caught as a defect under SOL's building requirements.

The warranty makes SOL liable for resolving defects, with the term 'defect' being specifically defined as "a fault, due to a breach of either the [QTR] or the Building Regulations, by the Developer…". Mr R has referenced another of SOL's documents – a guidance document of finishing standards, which he says reasonably must be considered when deciding if an item is a defect. However, even if SOL were to accept an issue was a "defect", it would still be possible for it to rely on an exclusion to cover to decline the claim.

Where an insurer has set out a specific definition for a term, as SOL has here, it isn't generally felt appropriate to add to that definition to widen its scope. I realise that Mr R thinks the finishing standards document should be taken into account – but it is not the QTR, nor part of it, nor is it a Building Regulation. With the QTR and Building Regulations being the only two measures SOL has chosen to apply to determine if something amounts to a defect.

SOL has also chosen to not be liable for certain things which might otherwise be viewed as defects – such as something which is reasonably viewed as 'cosmetic damage'. I've seen the photos of the damaged kitchen unit – its functionality does not seem to be impaired. I'm satisfied that SOL's decision that this is cosmetic damage, and therefore, is excluded, is fair and reasonable."

Mr R said SOL seems happy to rely on the finishing standards document when it suits them, but not when it doesn't. He said that seems inconsistent. He noted the finishing standards document is on the website for homeowners to read. There must be a reason for that, he said, and it therefore must act as the standard to be followed in the event of a dispute.

I know Mr R thinks the website and the finishing standards document are important. But, as I've explained at several points provisionally, and in my comments made having considered other similar points Mr R has made – the website content and finishing standards document are not relevant when considering what amounts to a defect. With 'defect' being a word defined in the warranty terms. And the warranty terms being the key reference document used by this Service to determine whether, in respect of a complaint about a building warranty, an insurer has reached a fair and reasonable claim outcome.

I appreciate Mr R's views. Having considered them, my view on this point hasn't changed.

8, a leaking fixed window
I said provisionally:

"Mr R showed SOL a window which he said leaks when it rains. On the day of the inspection, in 2024, it was not raining. SOL said there wasn't a defect with the window, which Mr R took to mean it didn't accept water ingress occurs because it wasn't raining at the time of the inspection. When Mr R complained to the Financial Ombudsman Service he did show the wooden windowsill was stained. Being mindful that staining might indicate water ingress

does occur, I asked SOL for more detail on the window. It provided some photos showing, it said, the stain had not progressed or gotten worse over time. The photos were shared with Mr R giving him chance to comment.

I've now reviewed the details of the claim about the window and the further comments from both parties. Having done so I'm not minded to say SOL reached an unfair and unreasonable outcome on this matter.

SOL said that during its assessment in 2024 the area around the window, including the stained sill, tested dry. So it felt the staining was historic in nature, likely dating to a period during the conversion work before the window was sealed. However, it couldn't show any evidence of those test results. But it said, when it returned a year later, after a wet winter period, the area had not deteriorated. SOL provided comparison photos from 2024 and 2025 to show the wood had not become more stained or changed in colour. It said further moisture testing also returned dry results, but again couldn't evidence those readings. SOL said Mr R had not reported water coming in during recent periods of torrential rain. It said it has always welcomed Mr R to show it evidence of current water ingress.

Mr R said SOL's surveyor didn't assess the window properly – only taking photos of it. So I think he'll likely contest that SOL took damp meter readings. And without evidence of those readings I'm not minded to accept SOL's report that they were taken and returned dry results. So I'm going to focus on the photos SOL and Mr R took. Mr R says his photos of this window were taken after SOL's 2024 visit and show additional staining on the underside of the sill. SOL's 2024 photos don't show the underside of the sill, but an image of that area was captured in 2025.

I've carefully reviewed Mr R's photos against those taken by SOL. I think they all show the same area of staining. I'm not persuaded there was a progression, when Mr R took his photos, from when SOL had taken its in 2024. Nor am I persuaded the area had deteriorated between the time Mr R's photos were taken and SOL's 2025 photos were shot. I'm mindful that Mr R hasn't shown SOL evidence of water coming in through the window when it is raining. I also note he says contractors have told him the problem is because the window is not sealed internally. It's not clear to me how a lack of internal seals would likely allow rain water in – because the external seals would still ensure weathertightness.

I realise it's frustrating for Mr R to see this water staining and for SOL to say it doesn't believe water is getting into the property. But, having considered the available evidence, as explained above, I'm not persuaded SOL has reached an unfair conclusion in that respect. The warranty offers cover for defects. I've not seen that water ingress is likely occurring such that might suggest a breach of the QTR or Building Regulations likely occurred. I'm currently satisfied that SOL's position – that this is not a defect – is fair and reasonable."

Mr R said a fixed window should have no signs of water ingress at all. He explained though that this window only leaks when there is a certain amount of rain and wind from a certain direction. He said the wind, often, comes from another direction. He said he's been made aware of a lack of sealant in one key place – which can't be fixed internally, due to a lack of access on account of the staircase, and must be accessed from the outside. Photos show missing sealant. So there is clearly a route for water ingress and the window is not weathertight – which is a breach of the QTR.

I agree – a window, closed or fixed, should not allow water ingress to the property. The issue here is that there is a lack of evidence showing that the window is allowing water ingress. The fact of missing sealant – particularly sealant missing on the inside of the property/window – even if that area for repair has to be accessed from the outside – does

not mean water is getting through from the outside, where I would also expect there to be sealant in place.

I appreciate Mr R's views. Having considered them, my view on this point hasn't changed.

9, water damage from prior leak from roof light
I said provisionally:

"SOL said this is staining which is excluded from the policy. It referenced the general policy cover in the first two years after completion and showed there is a general exclusion in the warranty for "any staining". Mr R said that this staining was a consequence of the defective rooflight and as SOL has responsibility in the two-year guarantee period of the warranty, it has a duty to reinstate the area.

I appreciate that Mr R will be dissatisfied with my following answer but, in my view, SOL's refusal to assist regarding this damage is fair and reasonable. SOL has pointed to a relevant policy exclusion for staining but it has also, in its correspondence with Mr R, referenced that its core liabilities change at different points in the life of the warranty. In the first two years of the warranty, in situations where it has taken over from the developer, SOL is liable for resolving defects. There is no liability during this period for SOL to resolve damage caused by defects. As Mr R has said, the staining is a consequence of the issue with the roof light (an issue which SOL has accepted as a defect covered by the warranty). So the staining itself is not a defect and not something I could reasonably say SOL is liable for as part of a claim made in the first two-year period of cover."

Mr R asked that I point to the exclusion for staining in the warranty terms. He said SOL has since resolved the issue.

I note Mr R's request for further comment by me. However, as SOL has since resolved this issue – my findings on it seem surplus to requirements. So I won't comment any further.

Provisionally, in summary, I also said:

"I know Mr R expected SOL would be responsible for fixing everything the developer failed to resolve. I accept it is frustrating for Mr R that the warranty does not extend as far as he thinks it should. However, having assessed SOL's answers on the faults Mr R has claimed for, against what the warranty says, I'm not currently minded to find its reached unfair or unreasonable decisions. The only exception to that may be regarding cracking to paintwork – depending on any evidence I receive in response to this provisional decision about large cracking as detailed above. But the evidence I've seen so far suggests that even in respect of the paintwork issues, SOL has fairly and reasonably declined Mr R's claim for seven of the ten items initially claimed for (with it subsequently reviewing two and accepting liability for a third as a defect). If anything further received, in response to my provisional decision, doesn't change my view in this respect, then it's likely I won't uphold this complaint."

I've seen nothing further from Mr R regarding these seven items discussed which makes me think SOL reached an unfair or unreasonable decision regarding them. I'll turn briefly at this point to the other comments Mr R offered in reply.

Mr R's further comments made in reply to my provisional decision

- Tying SOL's decline to the warranty wording – a review of my provisional findings and my further comments set out above shows that I explained why I felt SOL's decline was made fairly and reasonably in line with the policy terms.

- "Snagging" is not defined in the warranty – the warranty does not have to define every term an insurer or a policyholder may use. I've explained why I felt SOL's decline was made fairly and reasonably in line with the policy terms.

- Conflict of interest – as I understand it, Mr R has raised this issue as part of a further complaint. So I won't comment on it here other than to confirm that I'm satisfied by the findings I've reached about SOL having fairly and reasonably declined the claims in line with the policy terms.

- Legislation – I note Mr R's comments. We are an informal Service charged with assessing complaints fairly and reasonably. This means we'll always take relevant legislation into account but may not reference it when reaching what we think is a fair and reasonable outcome. I'm satisfied by the findings I've reached about SOL having fairly and reasonably declined the claims in line with the policy terms.

- Rejection rates – my assessment is based on the merits of the complaint at hand, ie what happened between SOL and Mr R in terms of the claims Mr R made and the decisions SOL reached. How SOL may handle other claims or the outcomes it reaches in other situations won't impact my findings on this individual, specific complaint.

- Marketing material – I've explained above that marketing material is not relevant to this complaint and my decision.

- Use of the word "guarantee" – I've explained that the policy is not the wide reaching guarantee that Mr R expects, and I've set out in detail, as relevant to this complaint, what cover the warranty does offer, what it does make SOL liable for. I'm satisfied the warranty is clear in those respects.

- The developer would have met his claims – The developer may well have dealt with the concerns Mr R had made (if it had not ceased trading). But those would not have been dealt with by the developer as 'claims under SOL's warranty'. There are two different streams of liability here. Some of what the developer may have been responsible for will flow into SOL's stream – but they don't merge entirely to become in single solitary river. And I've explained my view on SOL's liability under the warranty for Mr R's claims.

- Issues on completion – I agree there are likely to be some issues when a new home is built which the prospective buyer identifies and then enters into discussions over with the developer. But those are issues SOL has chosen to not be responsible for and it sets that out clearly in its policy wording. It is not acting unfairly in that respect. And it bears note that SOL is not alone in its choice to not cover defects known about on completion – this is a common theme followed by many building warranty providers.

- Item 7 – I know Mr R would like me to offer comment on this issue. But it wasn't a point in deadlock at the time SOL issued its FRL. Rather, in the FRL, SOL explained it was looking to complete further investigations into this issue. SOL did do so and it's SOL's subsequent findings which Mr R would like me to consider. I can't do that here. Mr R will need to make a further complaint – which I understand he may have already done – and the disputed claim outcome can then be considered.

- Sharing SOL's findings and awarding compensation – I will only set out directions and awards requiring an insurer to do and/or pay something if I've found it failed the complainant in some way. Such as if the insurer reached an unfair or unreasonable outcome. And, if I do award compensation, it is to make up for upset caused – not to punish the insure or to act as a preventative measure. I've explained above, in detail, why I'm satisfied that SOL, on this occasion, in my view, acted fairly and reasonably in declining the claims. So it follows that I'll make no direction or award against it.

Summary

Having considered everything Mr R has said in response to my provisional decision, I find my view on the complaint hasn't changed. I confirm that my provisional findings, along with my further comments set out above, are now the findings of this, my final decision.

My final decision

For the reasons set out above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 16 October 2025.

Fiona Robinson
Ombudsman