

The complaint

Mrs M and Mr M have complained about National House-Building Council (NHBC). They feel it hasn't treated them fairly after they made a claim on their building warranty policy.

A representative has advanced this complaint on behalf of Mrs and Mr M but for simplicity I'll just refer to them.

What happened

Mrs and Mr M faced a number of ongoing issues after they bought a new-build property that was covered by a ten-year warranty policy through NHBC. During the first two years of cover, they reported a number of issues with their new property which was when section 2 of the policy applies, and some were advanced by NHBC. Including concerns over the structural integrity of some of the property, water ingress problems and general snagging issues. And Mrs and Mr M say they raised other issues which the developer didn't acknowledge or allow them to advance.

Under section 2, the builder is responsible for the issues that are reported during the first two years. The builder must put right the issues that have been caused by its failure to meet the mandatory NHBC technical requirements during construction. However, if there's a dispute between the homeowner and the builder about the construction issues reported during the first two years, NHBC will offer its resolution service to determine whether there was a failure to meet its mandatory technical requirements. If NHBC issues a resolution report requiring the builder to act, and the homeowner accepts the report in full, but the builder fails to comply, NHBC becomes responsible for those required actions. This Service isn't able to consider all complaints made under this section of the warranty as they fall outside our jurisdiction as the resolution/conciliation service isn't a regulated activity in itself.

Our investigator explained to Mrs and Mr M that this Service couldn't look at issues raised under section 2 as they were outside of our jurisdiction. And she explained that Mrs and Mr M's other complaint points, which were dealt with by NHBC's final response letter (FRL) of 16 October 2020, were out of time as they were brought to this Service more than six months after the date of the FRL and so were also outside our jurisdiction.

So, when Mrs and Mr M complained to this Service our Investigator focussed on the complaint points she could consider in relation to Mrs and Mr M's further FRL of 21 August 2024. These included inspection and outcome in relation to the garage wall (claim reference 18/14393); NHBC's insistence on written confirmation that items were reported to the builder within the first two years, especially as the builder didn't permit any contact after a breakdown in relations; the investigation of water ingress under (20/45466) and water pressure issues under the same claim. But she didn't uphold the complaint as she thought NHBC had acted reasonably and in line with the terms and conditions of the policy.

As Mrs and Mr M didn't agree the matter has been passed to me for review.

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 think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.

Although I can understand Mrs and Mr M's clear frustration about how the issues at their property have been advanced by their builder and NHBC I must highlight again that their complaint points that relate to section 2 of the NHBC policy and the points raised in the FRL of October 2020 are not being considered here. As our investigator explained, and Mrs and Mr M appeared to accept, the points raised in the October 2020 FRL were brought to this Service too late (more than six months after the FRL). And the issues that have been raised in relation to section 2 are also out of our jurisdiction.

Turning to the issues I can consider and were dealt with in NHBC's FRL of August 2024 I agree with our Investigator's final position and I'm not upholding this complaint. I know this will come as a disappointment to Mrs and Mr M, but I'll explain why.

In relation to the brick pier of the garage (Claim 18/14393) I know Mrs and Mr M feel that they had spoken to the developer about their concerns and feel that this should be sufficient, especially as their relationship with the developer had broken down at that stage. But as NHBC explained previously, and is outlined in the policy booklet, the builder must be notified of reported issues under Stage 2 and it is the policy holders' responsibility to keep detailed records of notifications to the builder. NHBC requires some evidence of this in order to consider anything after the builder's liability has expired in order to advance things or challenge the builder under the Resolution Service and provide assistance under the policy. And given the breakdown in trust and communication I would have expected Mrs and Mr M to be even more alert. Given this I don't think NHBC did anything wrong and obviously I would expect it to revisit its position if Mrs and Mr M have any further evidence for consideration here.

It is clear that a detailed investigation was undertaken into the water ingress claim (20/465466) and there are a number of theories as to how the water ingress occurred, but there isn't anything to identify the cause of the problem. At one stage it was thought the ingress could be storm related and Mrs and Mr M approached their building insurer before being referred back to NHBC. And a site visit, report and photographs were taken and a follow up visit including a water test of the external area was undertaken. But as nothing could be attributed to a cause and the moisture levels remained low no further action was taken. Although I can understand Mrs and Mr M's frustration here as the root cause couldn't be identified but I don't think NHBC has acted unfairly. It has done all it could to try and identify what caused the problem, but a valid claim wasn't identified and fortunately the problem hasn't happened again.

Mrs and Mr M have also had a problem in relation to the water pressure in their house which NHBC looked into for them. But ultimately it concluded that this isn't covered under the policy when it eventually declined the claim in August 2024. I note that there was some conversation about getting NHBC to look into this further and undertake an investigation but as NHBC has outlined this isn't something that would be covered under the policy in any event. Mrs and Mr M have also said they would want to appoint an independent engineer to consider the problem anyway and see if this is somehow related to the water pressure problem they are facing. I can understand this and they are free to undertake this now and I would expect NHBC to consider any further evidence they produce and pay for the report if it validates a claim – the onus is always on Mrs and Mr M to show that the damage they want to claim for is covered by the policy. But, as things stand, I don't think there is sufficient evidence of a valid claim under the policy and NHBC has highlighted that there isn't any

evidence to show the water pressure is related to any movement issues with the garage that have affected the water supply which there would need to be, so I'm not asking NHBC to do anymore here.

Finally, I note Mrs and Mr M's representative feels that they didn't have the opportunity to fully understand the detail and wording of the policy when it was taken out. But as our Investigator explained the building warranty policy was taken out by the developer of the property who chose the provider and policy, so Mrs and Mr M didn't have any input or consideration here.

Given all of this, and despite my natural sympathy for the position Mrs and Mr M have found themselves here and the difficulties they have faced with the developer especially, I'm not upholding this complaint.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 27 February 2026.

Colin Keegan
Ombudsman