

## **The complaint**

Ms C and Mr C have complained about the way National House-Building Council (“NHBC”) handled a claim made under their new home warranty.

## **What happened**

In September 2023, Ms C and Mr C made a claim under their NHBC Buildmark policy when they found the roof of their property was leaking which caused water ingress through the ceiling.

NHBC visited the property to inspect the damage, and a report was issued into the cause of the problem, following which the claim was accepted.

But despite confirming early on that the roof would need replacement, Ms C and Mr C found that the service provided had been inadequate and that NHBC was slow in arranging and carrying out repairs. So they made a complaint, saying NHBC’s communications were unclear and inconsistent, and that there’d been shifts in responsibility and unexplained changes to previously agreed arrangements.

Ms C and Mr C also couldn’t understand why repairs to neighbouring council homes had been prioritised while their private property remained untouched. They said the ongoing delays and poor service had caused them considerable emotional distress and had led to serious health concerns due to mould developing in their home.

In its responses to their complaints, NHBC accepted that there had been avoidable delays. It apologised for these and offered £1,200 compensation. As the delays were ongoing, Ms C and Mr C raised further complaints, and they later referred those complaints to the Financial Ombudsman Service.

Our Investigator considered the issues raised and thought there had been further ongoing and avoidable delays which warranted further compensation of £1,200. But NHBC didn’t agree. It said that amount was excessive for a further six months of delays and it was willing to offer £600.

Ms C and Mr C didn’t consider £600 was a fair amount for the delays they’d experienced, so as an agreement couldn’t be reached, the complaint was referred to me for an Ombudsman’s 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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence Ms C, Mr C and NHBC have provided. Instead, I’ve focused on those I consider to be key or central to the issue in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m

upholding this complaint. I'll explain why.

I should clarify that in this decision I am considering the handling of the claim during the six months between the date of the first final response letter and the date of the last final response letter only. NHBC's final response letters were sent on 22 October 2024 (in which it offered £1,200 compensation), 10 January 2025 and 23 April 2025. The complaint was referred to this Service within six months of the second and third final response letters, but not within six months of the first letter.

I don't consider there to have been exceptional circumstances which prevented Ms C and Mr C from referring their complaint to this Service within six months of the first final response letter. I say this because they were communicating with NHBC during that time and so I think they could've referred the complaint by the deadline given.

So, in this decision I'll consider NHBC's handling of the claim during the period between 23 October 2024 and 23 April 2025.

Looking at the communications from NHBC to Ms C and Mr C, it's clear that it considers the claim should've been finalised by around February or March of 2024. This means everything that happened after that date was part of an ongoing, avoidable delay in putting things right for Ms C and Mr C. NHBC has mentioned materials weren't available and that this was outside its control, but that doesn't change the fact that NHBC had a duty to settle the claim in a timely manner.

I say this because the insurance industry regulator, the Financial Conduct Authority ("FCA"), has set out rules and guidance about how insurers should handle claims. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. It should also settle claims promptly once settlement terms are agreed. I've kept this in mind while considering this complaint, and I'm not satisfied NHBC acted in line with its obligations under ICOBS in this case.

Considering the timeline of the claim between the relevant dates, I can see there were many instances which were within the control of NHBC and its contractors (who I'm satisfied were acting as NHBC's agents). There were issues of poor progress by contractors, changes in contractors, a lack of progress or updates from NHBC, as well as ongoing and prolonged tender processes. During this time, Ms C and Mr C saw repairs being undertaken to numerous other properties, and whilst NHBC has said those properties weren't their responsibility, it's given no adequate explanation for how the repair work to other properties progressed much faster than the repairs to Ms C and Mr C's property.

I appreciate at times Ms C and Mr C have felt discriminated against, as non-local residents. And whilst I can't make a finding that the Equality Act 2010 has been breached, (as that's a matter for the courts), I can understand how upsetting this feeling must have been for them. As well as the substantial emotional toll the situation has taken on their family, I can see that the day-to-day practicalities of having water damage and mould in their home has caused Ms C and Mr C considerable frustration and disruption over an extended period of time. I'm persuaded by what they've said that their health has also been affected, due to the mould in their son's bedroom, which they've had to clean frequently. I don't think it's fair therefore for NHBC to say that there hasn't been a substantial impact or serious disruption to daily life.

I'm satisfied the ongoing issues in rectifying the damage to their home have caused Ms C and Mr C distress and inconvenience for which they should be compensated. And I think that the impact of NHBC's actions has lasted several months, and caused significant disruption

and upset, so I consider a fair and reasonable amount of compensation in this case to be £1,200 – which reflects the fact that the impact has been felt by Ms C and Mr C over a sustained period, for many months.

### **Putting things right**

National House-Building Council should pay Ms C and Mr C £1,200 compensation for the distress and inconvenience caused during the period I've considered in this complaint.

### **My final decision**

My final decision is that I uphold this complaint and I direct National House-Building Council to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr C to accept or reject my decision before 13 January 2026.

Ifrah Malik  
**Ombudsman**