

## The complaint

Mr M has complained about his building warranty provider National House-Building Council (NHBC) because it gave him conflicting information and declined his claim.

## What happened

In 2024 the ten-year warranty Mr M had for his home was coming to an end. He'd initially made a claim to NHBC in around 2015, under Section 2 of the warranty. Before the warranty came to an end in 2024, he made a further claim for 18 issues with his home which he felt should be covered by Section 3 and Section 4. Two responses were received from NHBC – neither fully accepted there was any issue for NHBC to answer as a claim, but the responses weren't entirely the same and Mr M felt they were conflicting.

NHBC considered some concerns Mr M had put to it about the first answer and issued a final response. Mr M said that did not resolve his concerns and he identified a third claim answer which he felt was conflicting again. NHBC said it was satisfied the claim, based on detail currently held, was not valid. But it confirmed there were certain (numbered) issues it would review if Mr M provided it further detail.

Mr M complained to the Financial Ombudsman Service.

Our Investigator noted there were differences in the responses Mr M had received from NHBC, but felt they were, at heart, saying the same thing. He was satisfied it was fair for NHBC to have said that items previously claimed for under Section 2 of the policy couldn't be considered again under Section 3. He noted NHBC had asked for detail of damage so it could further consider a claim under Section 3 for some items (not previously considered under Section 2). He was also satisfied that Section 4 of the warranty was not operative for Mr M's policy. So, whilst he recognised that NHBC could have communicated more effectively with Mr M, he wasn't minded to say its claim decision was unfair or to make it do anything more.

Mr M was unhappy with that outcome. He provided further comment and evidence and asked for an Ombudsman's decision.

The complaint was referred to me. I was minded to think NHBC should be reviewing Mr M's claim for all 18 items under Section 3 of the cover and paying him £150 compensation. So I issued a provisional decision to explain my views to both parties. My provisional findings were:

*"I'd like to assure both parties at the outset that I've seen and considered all of the arguments and concerns raised. However, as we are an informal Service, I haven't set out in detail above everything that has been said. And nor will I go into much detail in that respect in my findings below. Rather it is part of my role to get to the heart of the complaint, issuing findings which reflect that core issue and explain the reasons for the outcome I've reached on it.*

*In this complaint the core of Mr M's dissatisfaction is really NHBC's claim decline. NHBC's claim responses weren't entirely cohesive – but I think it's fair to say that, had they communicated a positive outcome, any differences in their content wouldn't have caused an issue for Mr M. Having read and taken into account everything said I do intend to make NHBC complete a further consideration of all 18 items claimed for. I've explained my reasons for this below. But I am satisfied regarding NHBC's comments in respect of Section 4 and I've (briefly) set out my thoughts on this first.*

#### Section 4

*Mr M said some issues with his property might fall for cover under Section 4. NHBC though has explained that Section 4 does not apply for every warranty it provides. It has satisfied me that it is not operative on Mr M's warranty. So its refusal to accept any issue at Mr M's property (of specific note is item 17, a toilet which blocks regularly) under this section of cover is fair and reasonable.*

#### NHBC's agreement to consider some items under Section 3, subject to evidence

*NHBC has agreed to consider a number of Mr M's claim points under Section 3 if he provides evidence of damage. This list, in my view, should have included item 17. Effectively, if the blocked toilet causes damage the damage might be covered under Section 3. And, although not included in the list given in its final response letter, NHBC did agree to consider if item 6 had resulted in internal damage. So that should be added to the list for consideration under Section 3 too.*

*I'll also consider item 10 (to do with flooring) at this point. Regarding item 10 Mr M provided a report commissioned by his neighbour showing issues the neighbour had with his flooring. Mr M, to NHBC, said: "These serious defects need to be investigated for my property too as they were of the same design, built at the same time, and by the same contractors".*

*NHBC did not agree to review this at all. Its only answer really was it could not get into any problem the neighbour had with their property.*

*Strictly speaking, NHBC's answer is not untrue. But it also wasn't a very complete answer. Mr M was clearly telling NHBC he believes he has a problem – a defect – in his own home. Admittedly Mr M did not say or ask NHBC to consider damage caused by that defect. But, given the way NHBC had sought to answer the rest of the claim points Mr M has raised, I think it could reasonably have told him it would consider, under Section 3, if there had been damage caused by a defect in a specified part of his home ie it would consider a claim under Section 3. I can't see any good reason why this one item should be treated differently to the rest. I'm satisfied it should be added to the list for consideration under Section 3.*

*Regarding many items claimed for by Mr M, which it has agreed to consider under Section 3, NHBC has specifically asked for photos. The warranty, under Section 3, does say: "... you must do the following... If we ask for them, send us copies of other documents". I'm satisfied that it is fair for NHBC to ask for photos in order to progress Mr M's claim for items under Section 3. Mr M, of course is also free to provide it any other evidence he wishes to in order to support a claim under Section 3 (covering physical damage caused by a defect in a specified part of the home).*

#### Items dismissed by NHBC under Section 3 as previously claimed for under Section 2

*At this point I'll recognise that it would be entirely normal and logical, in respect of a policy like this, for items claimed for under one section to not be claimable for again under a different section. So I do understand why NHBC took the position it did with regards to*

Mr M's claim under Section 3 for items it believed were, or which may have been, items he had claimed for previously under Section 2.

That is because the way warranties like this one generally work is that there will be cover for defects (and sometimes damage) found and notified in years one to two of cover. There will then be slightly different, usually more limited, cover available for items found and notified in years three to ten. So if an item has been 'notified' in years one and two, it is logically precluded from being covered in years three to ten because the notification of that issue occurred in year one or two.

But, in any claim or complaint assessment, the wording of the specific policy in question must be considered. And it is the wording of the specific NHBC warranty which applied to Mr M's property which gives me cause to require NHBC, in this instance, to review its claim position.

Section 3 of the warranty says (my emphasis added) "This section tells you... what NHBC will do if there is Damage to certain parts of your Home or a Defect to a flue or chimney...and you notify us of **a claim** under this section within the relevant notification period described...". Which means that the warranty will step in when **a claim**, not the specific damage in question, is notified under this Section in years three to ten. Which is exactly what Mr M did – he notified NHBC of **a claim** under Section 3.

NHBC, in response to the claim under Section 3, regarding issues it believed had been raised before, merely said, "a new claim for the same issue cannot be raised". There was no explanation of why, no reliance was placed on any particular policy term – and none was given in NHBC's final response letter either. But NHBC's final response letter did stand behind the answer given by its claim handlers. An answer which, on a strict consideration of the policy wording – which says NHBC will act when a claim for damage is made in the Section 3 period – was flawed.

So I intend to require NHBC to go back to the claim Mr M made and review it in line with the cover available under Section 3 of the warranty. In order for it to do that Mr M will need to provide it with any evidence he has which it asks for in order to assist with its considerations, I can't know what might result from that review. But unless/until NHBC has actually considered the claim in line with the warranty wording in place, it would not be appropriate for this Service to make a direction which ties it to settling the claim."

And in my provisional decision I also explained what I felt was needed to put things right:

"My resolution then, for this complaint, is to direct NHBC to go back and review all 18 items claimed for. This will be a review, by it, under the cover available under Section 3 of the warranty. In completing its review, NHBC will have to take account of any evidence Mr M provides – it will be up to him to decide what he wishes to present – and carefully consider any explanation he gives about each issue in question. If NHBC thinks that any of the 18 claim items are not valid under Section 3 it will have to tell Mr M why it thinks that with reference to the policy terms.

I think NHBC could have handled this claim better. Not only could it have avoided the instance where differing answers were given to Mr M, but also it could have paid more attention to the exact policy wording in question, applying its specific phrasing to the claim. Whilst I don't necessarily agree with the way Mr M approached this, nor all of the arguments he raised, I find he was correct in his belief that NHBC could not just fairly dismiss from consideration under Section 3 items previously claimed for under Section 2. I accept he's been inconvenienced and frustrated as a result of NHBC's failings, and so I think it should pay him £150 compensation to make up for that."

Mr M said he accepted my provisional decision.

NHBC said it didn't wholly agree with my findings. It said it was prepared to accept what I had said about considering items 17, 6 and 10 under Section 3 subject to evidence being provided. It confirmed its offer to consider other items, subject to evidence, remained open.

NHBC's objection came in respect of what I had said about the items it had dismissed and the compensation I had suggested. NHBC said Section 2 of the warranty explains the builder remains liable for any issues notified to them during that period. It said there was also a relevant exclusion under Section 3.

### **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 note the responses from both parties. Having considered NHBC's objection though, my view remains as provisionally stated.

NHBC has said it thinks it has fairly considered Mr M's claim under Section 3. However, whilst it has now referred to an exclusion within Section 3 – NHBC declined Mr M's claim for certain items by saying "a new claim for the same issue cannot be raised". That is distinctly different to accepting a claim for consideration but then declining it on the basis of a valid, section specific, warranty exclusion. As I explained provisionally – the warranty wording does not support that a new claim for the same issue cannot be raised".

I accept that NHBC may feel that my finding in this respect is unfair – given its focus on some very specific wording in the warranty compared to how NHBC chose to frame its decline of the claim. But NHBC is the insurance expert. It told Mr M he couldn't raise a claim (which I've said it was wrong to say). Mr M challenged it in that respect and NHBC did not amend its position or provide an answer to him which accurately reflected what the warranty says. So NHBC did not treat Mr M fairly.

I remain of the view that NHBC gave an answer to Mr M's claim, made under Section 3, for items it said he had previously claimed for under Section 2 of the warranty, which was not in line with what the wording of the warranty allows. And that, because of that, it did not fairly consider the claim under Section 3. As such I'm satisfied NHBC did not treat Mr M fairly and reasonably and I accept he was caused distress and inconvenience as a result.

### **My final decision**

I uphold this complaint. I require National House-Building Council to consider Mr M's claim for all 18 items under Section 3 and pay him £150 compensation.

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

Fiona Robinson  
**Ombudsman**