

The complaint

X and Mrs M complain about National House-Building Council's decision to decline a claim made under their new build property warranty.

What happened

The background to this complaint is well known to both parties, so I'll give only a brief summary here, focussing on the key issues.

X and Mrs M have a new build property warranty policy underwritten by NHBC. The warranty was taken out in 2017. They made a claim in early 2025 after discovering damage to their driveway due to problems with the drains.

In short, NHBC declined the claim. They said the policy terms set out a minimum claim value (MCV). And the terms are clear that NHBC will not cover repair or reinstatement works if the cost is less than the MCV.

X and Mrs M complained to NHBC. And when NHBC maintained their position, X and Mrs M brought their complaint to us.

Our investigator upheld the complaint in part. He said the decision to decline the claim wasn't unfair or unreasonable.

However, he thought NHBC's communications with X and Mrs M fell short of the standard that might reasonably be expected. So, he asked NHBC to pay £150 in compensation to X and Mrs M for their trouble and upset.

X and Mrs M weren't happy with this outcome and asked for a final decision from an ombudsman.

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.

There's no dispute in this case that X and Mrs M's driveway is damaged. There's also no dispute about the policy terms. There is a MCV clause. And if the repair costs are less than £1,900, the minimum claim value isn't met and NHBC aren't obliged to pay for the repairs.

The dispute arises because NHBC believe the repairs can be carried at a cost of £1,560 (including VAT). They have a quote from a contractor to carry out the works for that amount.

X and Mrs M have obtained three separate quotes. All of which are for amounts above the £1,900 MCV. They believe the contractor put forward by NHBC won't do a good job in carrying out the repairs.

I understand that X and Mrs M are in a difficult position. They can't at present use their driveway for parking and that there is a degree of obstruction caused by the damage. X and Mrs M have my sympathy. However, I don't think NHBC have acted unfairly or unreasonably in declining the claim.

The policy terms are clear that, when considering the MCV, NHBC will take the cost *to them* of getting the necessary works carried out.

When I look at the estimate from NHBC's contractor, it's clear that they will carry out the work for less than the MCV. And they confirmed that they will do the work for X and Mrs M at that price. It's also clear that the scope of works they've set it is the same as the scope in the three quotations obtained by X and Mrs M.

I'm satisfied then that the work can be carried out at a cost (to NHBC, but also to X and Mrs M) lower than the MCV. And so, as I say, NHBC are entitled to decline the claim in line with the policy terms.

Putting things right

I agree with our investigator that NHBC might have been clearer in their communications with X and Mrs M at times.

There was certainly an opportunity here, reasonably early in the life of the claim, to make clear that the MCV likely wasn't going to be met whatever the further quotations obtained by X and Mrs M said, unless there was a dispute about the scope of the necessary works. NHBC could also have said earlier that the price quoted by their contractor was available to X and Mrs M directly.

X and Mrs M have therefore, in my view, been inconvenienced to an extent in obtaining further quotes when this may not have been necessary. They also potentially had their expectations raised unnecessarily and avoidably.

I agree with our investigator that £150 is fair and reasonable compensation for the degree of trouble and upset experienced by X and Mrs M.

My final decision

For the reasons set out above, I'm upholding this complaint in part.

National House-Building Council must now pay X and Mrs M £150 in compensation for their trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask X and Mrs M to accept or reject my decision before 15 January 2026.

Neil Marshall
Ombudsman