

## **The complaint**

Mr and Mrs D have complained about their building warranty insurer National House-Building Council because it declined their claim for, what they maintain is, a defective retaining wall.

## **What happened**

Mr and Mrs D's property came with a 10-year warranty, in place since August 2013. In March 2023 they made a claim to NHBC for the retaining wall. They said it was failing as it hadn't been built in line with building regulations. NHBC considered the matter but wasn't persuaded the retaining wall was covered by the warranty. Mr and Mrs D were adamant it was, and the dispute between the parties continued.

In 2025, with Mr and Mrs D still objecting to NHBC's decline and arguing it had ignored their prime concern, NHBC issued a final response letter. It said that for the claim to be accepted, the retaining wall would have to be necessary for the structural stability of the "house". NHBC said as this was a garden wall that was not the case here.

Mr and Mrs D remained dissatisfied. Not least as they noted that the warranty, under a definition for "Home" does seek to include retaining walls. So they felt the warranty was unclear. They complained to the Financial Ombudsman Service.

Our Investigator noted the claim would fall for consideration under Section 3 of the warranty. She noted cover under Section 3 would be for only certain parts of the house. She also considered the definition of defect under the warranty – with Section 3 offering cover for damage caused by defects. She was satisfied that NHBC's decline of the claim was fair and reasonable.

Mr and Mrs D asked for an Ombudsman's decision. They said they were expecting consideration to be given to the entire warranty and their argument that it is unclear. They maintained the warranty documents show the "Home" must be built in line with regulations – which, they said, had clearly not happened here.

The complaint was referred 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.

Having done so I find I agree with the view set out by our Investigator. I've shared my own views below. Mr and Mrs D may note I have not commented on all of their arguments made to NHBC. I mean no discourtesy in this respect. Rather, in keeping with the informal nature of our Service, my decision focuses on the issues at the heart of the complaint and key to my findings.

I know Mr and Mrs D believe the definition of “Home”, being “The house... including... any retaining walls” should be applied to their claim. Which, they believe, would mean their claim would be accepted – because a retaining wall at their house/of their home is defective/damaged. In the alternative, they believe consideration of that definition would show the policy is unclear when comparing the Section 3 cover.

Having considered their points in these respects, I’m not persuaded they are correct.

Their claim was made in the last, tenth year of the warranty. And claims made in years three to ten are considered under Section 3. And, as can be seen here, the cover available under Section 3, whilst offering cover for putting right damage to the home, does so only where that damage is caused by a defect in certain parts of the “house”:

“We will pay you the full Cost, if it is more than £1,200 Indexed, of putting right any physical damage to your Home which is caused by a Defect in respect of any of the following parts of your house, bungalow, maisonette or flat, or its garage or other permanent outbuildings...”

The list does not include “any” retaining walls. Rather the list includes “(k) retaining walls necessary for the structural stability of the house, bungalow, flat or maisonette...”.

So, even if it were accepted that the retaining wall in question here has a defect, a defect which is causing damage to the “Home”, there would be no cover for that damage. Simply put there would only be a possibility for cover if there was a defect with a retaining wall necessary for the structural stability of the house. That is not the case here.

I know Mr and Mrs D are concerned their home has not been built in line with certain standards, which they believe the wider warranty promises to keep to. But, even if I agreed with them on this, and even if I agreed that such amounted to a “defect”, that wouldn’t change anything. They would still have the problem that the part of their home that they believe has not been built to standard/is defective, is not a part covered under Section 3.

The warranty is not unclear in this respect. NHBC has set out clearly what it is offering cover for in years three to ten – damage caused by a defect but only where that defect is in a certain, listed part of the house. Effectively Section 3 of the warranty is narrower in scope to Section 2, which offers different cover again to that available under Section 1. That is quite usual with this type of warranty.

I appreciate Mr and Mrs D think NHBC is more generally liable to them for ensuring the property complies with UK law. I can also see that, at one time they were considering taking legal action against NHBC. If Mr and Mrs D still feel NHBC has liability to them in this respect then they might prefer to place the matter before a court to seek a legal determination. This Service is an alternative to the courts and we do not issue legal determinations. We take a fair and reasonable approach, and it is also not in our remit to punish insurers.

Having considered everything, I am satisfied that NHBC has taken the wording of the warranty into account when reaching its decision to decline the claim. I’m also satisfied that its decision was fair and reasonable in all of the circumstances. As such I’m not requiring it to do anything differently.

### **My final decision**

I don’t uphold this complaint. I don’t make any award against National House-Building Council.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs D and Mr D to

accept or reject my decision before 19 March 2026.

Fiona Robinson  
**Ombudsman**