

The complaint

Mr and Mrs S have complained about National House-Building Council, which provides their property's building warranty, because it declined their claim for a damaged drainpipe, on the basis of cost of work, causing them to have to pursue a claim under their home insurance.

What happened

There was a blocked drain. Mr and Mrs S sought to claim under their building warranty which was just into its third year (damage period). NHBC, having undertaken a report – which noted a broken junction where a line branches under the property's boundary fence – obtained a quote for repair. NHBC said the cost of work was below the minimum claim value. Mr and Mrs S put NHBC's cost for work to their home insurer which accepted their claim.

However, the work covered by the home insurer did not involve moving the fence – NHBC's quote had only factored in the drain repair. Mr and Mrs S removed the fence themselves and complained to NHBC – about the time they'd been without downstairs toilet facilities because it had refused to repair the drain, having to use their home insurance instead – at a cost to them, and having to remove the fence themselves – which they'd been unable to put back in place for fear of damaging the drain.

NHBC accepted its initial pricing of the work was incorrect. However, it said it had repriced the work to include removing and refitting a panel and a fencepost – and that the total cost was still below the minimum claim value (by about £600). It wasn't persuaded to make any payment to Mr and Mrs S – for the cost of additional works or for compensation.

Mr and Mrs S complained to the Financial Ombudsman Service.

Our Investigator felt NHBC had acted in line with the warranty. But she felt it had caused some confusion. So she said it should pay Mr and Mrs S £300 compensation.

NHBC accepted the findings. Mr and Mrs S did initially, but on review they asked for an Ombudsman's decision. I considered the complaint and issued some informal findings, including confirming I felt the £300 compensation was fair and reasonable.

Mr and Mrs S replied. They said compensation of £1,700 was required. This, they said was because two drain companies had said the main drain (running in line with the fence) was broken as well as a branch line. And moving a fence post would only avoid impact with the branch line. Also, it was nine months before they were able to fix the drain using their home insurance – which came at a cost to them. They'd had to take the fence down, couldn't put it back up (as it would damage the main drain) and had to pay to landscape the area.

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 mentioned above, having initially considered this complaint, I contacted both parties. I said I was satisfied that the plans NHBC had provided of the site of the fence and drain likely reliably showed that the fence did not sit on top of the main drain. I also said I was satisfied the sum of £300 compensation was fair and reasonable.

I've considered the recent comments from Mr and Mrs S. But I find they reflect detail which was already on their file and which I had reviewed before issuing my informal findings to both parties. So they haven't changed my view on the complaint.

I'll take this opportunity though to add a few further comments. Which I trust will help Mr and Mrs S understand why I'm satisfied NHBC paying £300 compensation fairly and reasonably resolves this complaint.

Mr and Mrs S may have certain recollections from speaking with drainage contractors. But the diagrams of the drain runs at the property show the main drain is on the neighbour's side of the boundary fence, parallel to the fence, but not underneath it. The drainage report refers to breaks in the pipes at the junction – with the fencepost, wider than the fence, impacting the junction. It recommends removing a fence panel and a post to excavate the area.

Neither NHBC nor the home insurer could have moved the main drain under a claim for Mr and Mrs S – because it is not on their land. Moving a main drain, or even a whole fence – when the damaged part is just at a junction, and where future damage can be prevented by moving just a fence post – would be disproportionate. NHBC is not responsible for the way Mr and Mrs S chose to approach their home insurer, or the decision the home insurer made as to what was covered. NHBC was only responsible for considering the claim made to it under its warranty terms.

Of course, NHBC would have had to allow for a long lasting repair under its warranty. So moving the fencepost, which would have meant adjusting panel sizes and maybe installing an additional post, would likely have been necessary. Not just removing and refitting what was there. But making the above adjustments would not have cost as much as Mr and Mrs S were quoted for replacing the whole fence (£1,000). It seems to me that NHBC made a reasonable decision when it told Mr and Mrs S the claim costs fell below the minimum claim value. I'm satisfied it fairly declined the claim.

NHBC initially declined the claim within about two and a half months of Mr and Mrs S making it. That probably was a little too long. But it was then up to Mr and Mrs S whether to accept that, challenge it whilst getting the work done themselves, or dispute it without fixing the issue NHBC had declined liability for. They chose the latter. And whilst I understand it can be difficult to undertake costly work you hoped was covered by a warranty, NHBC's rejection of the claim was fair. Which means any upset Mr and Mrs S suffered as a result of challenging that outcome wasn't caused by any fault or failure of NHBC. And I think, regardless of the reason NHBC gave for decline, or the completeness of the schedule for work it based its cost assessment on, Mr and Mrs S would always have chosen to challenge it.

NHBC could, in my view, have handled this better. I am satisfied that it did fail Mr and Mrs S. But I am also satisfied it is not responsible for the unsatisfactory drainage situation at their home persisting beyond August 2024 (three months after their claim) until they claimed on their home insurance to repair the drain. I'm also satisfied that no failure of NHBC caused them to incur costs or to have to remove their fence or be left without it. Overall I am satisfied that £300 compensation fairly and reasonably makes up for the upset I do think they suffered which could have been avoided if NHBC had handled things better.

My final decision

I uphold this complaint. I require National House-Building Council to pay Mr and Mrs S £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 6 March 2026.

Fiona Robinson
Ombudsman