

The complaint

Mr and Mrs H complain about the way The National Farmers' Union Mutual Insurance Society Limited ('NFU') calculated the rebuild cost value of their property.

Mr H has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, as those of "Mr H" throughout this decision.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again in detail here. Instead, I'll focus on giving the reasons for my decision.

Mr H held a buildings insurance policy with NFU. When the policy was renewed in 2023, NFU obtained a rebuild cost assessment for the property which resulted in the declared rebuild cost increasing from around £780,000 to over £1.5 million. Mr H was unhappy with this increase and felt the assessment had been carried out using desktop tools which had resulted in a rebuild cost that was significantly overstated. In particular, he felt that the dimensions used for one of the buildings at the property (referred to as the "cottage") was inaccurate.

Mr H arranged for a surveyor to carry out an alternative rebuild assessment. That survey concluded the rebuild costs for the property were significantly lower than those calculated by NFU. Mr H provided those findings to NFU, and he raised a complaint asking them to review their assessment. NFU considered the information Mr H provided but remained satisfied their rebuild cost assessment was correct. But they did acknowledge they'd caused delays in passing Mr H's survey report to their underwriting team and offered £150 compensation. Mr H remained dissatisfied with NFU's response – so, he brought the complaint to this Service.

An Investigator looked at what had happened but didn't recommend the complaint should be upheld. He said rebuild cost assessments were not an exact science and different surveyors could reach different conclusions depending on the methodology they used. Ultimately, the Investigator did not feel NFU had acted unreasonably by relying on the rebuild cost assessment they had obtained and didn't think NFU needed to take any further action.

Mr H responded to the Investigator's conclusions and said while he accepted some aspects of the Investigator's reasoning, the key issue for him was that the dimensions used for the cottage were incorrect. Mr H said the correct measurements were reflected in the approved plans for the building this had been confirmed by his own surveyor. He maintained NFU's measurements were inaccurate and asked for an Ombudsman to consider this point.

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 want to start by acknowledging that I've intentionally summarised the background to this complaint, and I have not commented on every point Mr H has raised. This is because, following the Investigator's view of the complaint, Mr H largely accepted those conclusions and said his remaining point of dispute he wanted an Ombudsman to determine was on the dimensions of the cottage.

Therefore, I will focus my decision on the crux of this complaint: which is that Mr H says the rebuild cost assessment is based on incorrect dimensions for the cottage. He said the correct measurements are reflected in the approved plans and confirmed by his surveyor.

In response, NFU says the measurements they relied on were calculated using Ordnance Survey mapping data and aerial imagery, in line with their standard methodology, and that they were unable to reconcile the figures Mr H provided with their report's conclusions. I understand why Mr H feels strongly about this point, as he says he designed and oversaw the construction of this building, and he says this is why he knew that NFU's figures were inaccurate. However, my role is not to determine the precise dimensions of the building or to determine which measurement is correct. Instead, my role is to decide whether it was fair and reasonable for NFU to rely on the rebuild cost assessment they obtained.

From what I've seen, NFU's rebuild cost assessment was carried out using Ordnance Survey mapping data and aerial imagery, with the measurements averaged between available sources in line with their standard methodology. And a few says this approach is used where a full measured survey hasn't been carried out. And they've said the assessment was produced as part of NFU's rebuild cost assessment process and they explained that their surveyors are regulated by the Royal Institute of Chartered Surveyors ('RICS').

I've also seen the NFU did review the assessment after Mr H raised concerns, including reconsidering the layout of the buildings in 2023. Although Mr H disagreed with the resulting figures, I haven't seen any persuasive evidence that demonstrates NFU's approach or methodology was unreasonable. And while I appreciate Mr H believes the dimensions used by NFU are inaccurate and that the approved plans showed different measurements, I don't think the existence of a different set of measurements, or an alternative surveyor's opinion, means that NFU acted unfairly by relying on the rebuild cost assessment they obtained. I think it's fair that insurers are entitled to rely on their own professional assessments when deciding the level of cover they are prepared to offer to a customer.

Ultimately, NFU's assessment was carried out by a RICS regulated surveyor using recognised measurement standards. In those circumstances, I do not find that it was unreasonable for NFU to rely on that assessment. And I also do not find that there is any persuasive evidence that demonstrates NFU intentionally used inaccurate measurements or acted unfairly here.

My final decision

For the reasons I have set out above, my final decision is that I do not uphold this complaint.

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

Stephen Howard
Ombudsman