

complaint

Mr R is unhappy a claim he tried to make under his National House-Building Council (NHBC) building warranty has been declined.

background

Mr R noticed tiles on his roof had become loose and were lifting and made a claim to NHBC, the provider of his building warranty.

NHBC inspected the roof and found some tiles had lifted due to missing tail rivets. But NHBC said the cost to repair them was below the minimum amount needed for a valid claim, so they didn't accept the claim.

Mr R complained to NHBC who maintained the decision to decline the claim, so he approached this service.

Our investigator didn't uphold the complaint. He acknowledged there were issues with the tiles, but concluded the cost to repair fell below the minimum amount needed for a valid claim. Therefore, he didn't think NHBC had acted unfairly by declining the claim on this basis.

Mr R didn't agree with the investigator and asked for a final decision from an ombudsman.

my findings

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'm not upholding the complaint.

Mr R's building warranty is a policy which runs for ten years. Different cover applies depending on when the claim is made during the ten-year period.

Mr R noticed issues with his roof tiles and reported this to NHBC within years three to ten of the policy cover. This meant the claim was made under Section Three, and the policy terms say:

"We will pay you the full Cost, if it is more than £1,000 Indexed, of putting right any Damage in any of the following parts of the house, bungalow, maisonette or flat and its garage or other permanent outbuildings or its Common Parts:

g) roof coverings"

Damage is defined in the policy as:

"Physical damage to the Home caused by a Defect."

And Defect is defined as:

"The breach of any mandatory NHBC Requirement by the Builder or anyone employed by or acting for the Builder. Failure to follow the guidance supporting an

NHBC Requirement does not amount to a Defect if the performance required by the NHBC Requirement is achieved by other means.”

For a valid claim to be made, there needs to be *Damage* to a listed area – in this case *roof coverings*. The *Damage* needs to be caused by a *Defect*. And the cost of putting right that damage needs to exceed the minimum claim value (MCV) of £1,000 indexed.

Indexed in the policy is defined as:

*“Indexed
Increased to allow for the effects of inflation. Any amount referred to as ‘Indexed’ was set on 1 October 2004 and the increase is applied on 1 April each year in line with the Royal Institution of Chartered Surveyor’s House Re-building Cost Index. The figure that applies to a claim is the one that is in force when the claim is first notified to NHBC.”*

At the time Mr R went ahead with the claim, the minimum claim value was £1,630.

NHBC carried out an inspection of the roof and concluded that the displacement and curling of the tiles was due to fibre cement slates being susceptible to thermal movement and climatic changes, which wasn’t considered a defect. And whilst this had happened to tiles around the valley, they were correctly fixed with one rivet as they were cut.

But they found that on a small number of tiles, tail rivets were missing which had caused the tiles to lift. Whilst it was unclear what had caused them to be missing, ultimately NHBC considered this as *Damage* caused by a *Defect* under the policy. So these two parts of the Section Three claim requirements were met.

However, whilst there was *Damage* caused by a *Defect*, only a small number of tiles were affected by the missing tail rivets. The cost to repair these damaged tiles was calculated as £1,274.27.

NHBC has provided a breakdown of how they calculated the repair cost of £1,274.27 and this appears reasonable for fixing the tiles with missing rivets, securing them back into place. NHBC allowed for half a day to carry out these repairs. Even if they allowed for a full day, the MCV still wouldn’t have been reached. As the cost of repairing the damaged tiles falls below the £1,630 MCV required under the policy for a valid claim, NHBC hasn’t acted unreasonably in declining the claim for this reason.

Mr R has said that NHBC hasn’t accounted for rectifying the defect with all the tiles across the entire roof, and the method of construction is negligent. However, only a small number of tiles have been affected by the missing rivets. Under Section Three of the policy, where Mr R’s claim is being considered, the policy covers fixing the *damage* caused by a defect. As there isn’t *damage* to the rest of the roof, as the rivets remain in place, there isn’t a valid claim for the rest under Section Three of Mr R’s policy.

Mr R has also said his neighbour’s roof has had repairs carried out. But NHBC has told Mr R in their final response that additional defects were identified on another property which meant more extensive repairs were required. NHBC said Mr R’s property isn’t suffering from the same defects.

However, I can't take the neighbour's claim into account when looking at Mr R's claim and complaint as each case is considered on its own merits. What I've considered is whether NHBC has fairly applied the terms of Mr R's policy in relation to his claim, and in my view they have.

my final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 January 2020.

Callum Milne
ombudsman