

The complaint

Mr and Mrs S complain that National House-Building Council (NHBC) declined a claim they made under their new home warranty.

What happened

The circumstances aren't in dispute, so I'll summarise the background:

- Mr and Mrs S bought a new home. It was covered by a ten-year NHBC warranty which began in June 2017. They got in touch with NHBC in 2021 about a number of problems with their home.
- NHBC considered the problems under Section 3 of the warranty. In summary, for a claim to be successful under that section, three things must be fulfilled:
 1. There must be physical damage to the home.
 2. As a result of the builder failing to build specific parts of the home in line with NHBC requirements.
 3. The cost of putting the damage right must exceed the minimum claim value (MCV), in this case £1,750.
- NHBC accepted a problem with the porch was covered by the warranty. And it declined problems related to cracking in the brickwork and roof ventilation. I understand none of these points are in dispute. The subject of this complaint is a third matter NHBC declined, which it labelled 'cold lounge'.
- NHBC said there may be heat loss because there wasn't a continuous ribbon of adhesive around plasterboard and sockets. But it said this wasn't part of its requirements, so point 2 above hadn't been met.
- Mr and Mrs S didn't think this was fair and complained. They said the problem wasn't limited to the lounge, it was throughout the home. And they thought NHBC standards did require a continuous ribbon of adhesive.
- NHBC responded to the complaint in April 2022. It didn't change its position.
- Our investigator thought NHBC had acted fairly. He said NHBC had shown the adhesive information was guidance, rather than a requirement. So the claim had been fairly declined.
- Mr and Mrs S disagreed and provided further comments. But an agreement wasn't reached, so the complaint has been passed to me.

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 the only matter in dispute is the one referred to by NHBC as 'cold lounge', that's the one I'll focus on. Although I note Mr and Mrs S have clarified several times that the problem affects all rooms, not just the lounge.
- NHBC accepted there was damage to the home when it inspected the problem, so point 1 has been met. It didn't comment on the cost of the work to put the problem right relative to the MCV, and Mr and Mrs S said it would likely exceed the MCV, so I assume that point was also considered to have been met. This dispute turns on the second point – whether the builder failed to meet NHBC requirements.
- The NHBC standards document contains 'requirements', which the builder must meet. It is these requirements on which warranty cover depends. The standards document also sets out 'performance standards', which support the requirements, and 'guidance', which set out ways in which the performance standards may be met. Neither the performance standards nor the guidance form part of the requirements.
- NHBC said the requirements were met in relation to this problem. Mr and Mrs S disagreed. They pointed to a section in the standards document which says, amongst other things, that a continuous ribbon of adhesive should be applied to certain areas. NHBC have noted this was guidance, rather than a requirement, in the 2014 version of the document. I've checked those standards and I agree.
- However, Mr and Mrs S said the 2016 version is relevant as that's when building work began for their home. And that required the builder to meet Part L of Building Regulations, BS1230 and BS8212 – but they don't think the builder achieved that.
- NHBC has clarified that for the 2014 version is the relevant one. It says the foundation excavation was complete in 2015 and at that time the 2014 version was current. So it's that which applies, not the 2016 version. I agree with that because the 2016 document says it's effective for new homes where the foundations were begun from January 2016.
- As a result, that means reference to the continuous ribbon of adhesive was merely guidance and not a requirement. And therefore I'm satisfied NHBC acted fairly when it said the requirements had been met. I recognise that leaves Mr and Mrs S with a problem in their home, but it's simply not something covered by the warranty – so I don't hold NHBC responsible for putting it right.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 7 December 2023.

James Neville
Ombudsman