Ombudsman Decision
CIFO Reference Number: 24-000494
Complainant: Mr and Mrs Y
Respondent: Assist Insurance Company Limited

Complaint

The Complainants, who I shall refer to as Mr and Mrs Y, complain that Assist Insurance Company Ltd ('Assist') unfairly denied their claim for repairs under a 10-year Platinum Seal Warranty (warranty) on their park home.

Background

Mr and Mrs Y purchased their [redacted] home, a [redacted] Home, from new in 2018. A 10-year warranty was included as part of the sale for no additional cost. The manufacturer subsequently went into liquidation in late 2023.

The warranty covers physical damage to a home caused by a defect, which is defined as a failure to comply with principles of BS3632, a British Standard to which residential park homes are built. It specifically covers the period after the expiration of the manufacturer's 2-year warranty. From year 3 (to 10 years), the warranty provides insurance protection for '*structural defects...because the manufacturer failed to build certain parts of your park home effectively*' and includes coverage, exclusions and terms (including owner obligations).

[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

Mr and Mrs Y say that within 18 months of purchase, their home developed rippling in the external wall coating. The [redacted] changed the height of the surrounding brickwork skirt in 2022, but the rippling subsequently worsened. Mr and Mrs Y believed that it was the Magnesium Oxide (MgO) board used as external cladding that had caused the issue. As a result, they said the MgO material used for the wall construction was defective and should have been covered as a manufacturing defect under the warranty. Additionally, they considered the MgO boarding should be viewed as 'structural' to the home because there was no membrane between the internal studwork and the external MgO board, therefore it should be considered as integral to the construction of the home.

Assist rejected the claim, in summary saying:

- the external wall covering was not covered by the warranty, and it concluded the damage had been caused by water ingress, which was a specific exclusion '*howsoever caused*.'
- the original incorrect construction of the brick skirting, remedied by the [redacted], had allowed the ingress of water into the cladding, concluding: '*…the water damage experienced by Mr & Mrs Y's home has likely been effective from the date of first siting, primarily due to the incorrectly constructed skirt, and the lack of the required minimum three-monthly inspections having been carried out by Mr & Mrs Y.'*
- Mr and Mrs Y had not met the owner maintenance obligations as set out under the warranty.

Mr and Mrs Y said the MgO boarding was not a suitable material for the construction of their home. In response, Assist said: '*MgO remains the boarding of choice for all known [redacted] manufacturers in the UK, and, as it believed is proven, has far greater resistance to water than plywood.'* It provided a research paper from 2021 supporting the use of the boarding material. Mr and Mrs Y did not agree.

The Adjudicator did not uphold the complaint as, in her opinion, the external coating was not covered by the warranty and she was satisfied, on a balance of probabilities, the incorrect height of the brick skirt, prior to its rectification in 2022, allowed the ingress of water into the wall cladding.

This in turn caused the rippling, and water ingress was a specific exclusion in the warranty.

Mr and Mrs Y did not agree and requested an Ombudsman's review and final decision.

Subsequent Submissions

Mr and Mrs Y have since responded and I've considered that information. Assist did not submit any further information.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint.

Where necessary and/or appropriate, I reach my conclusions on the balance of probabilities, that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

While the parties have provided a significant amount of information and submissions, I do not intend to answer every single point in the same way. This is not intended to be discourteous but rather a reflection of our informal role as an alternative dispute resolution service. I will focus on the main points I consider to be relevant to the complaint.

I make my determinations based on the evidence and information the parties provide. The weight I place on evidence, and so what I find more persuasive, is often influenced by the source of the information. For example, I may place less weight on unidentified parties commenting on an online forum, or references to unsourced information, than identified relevant industry, expert or research-based information.

At its heart, Mr and Mrs Y believe their home has a manufacturing defect (the MgO boarding), which has resulted in damage and should be covered by the warranty. The warranty's relevant terms and conditions in providing cover for loss or damage to the home structure as a result of a 'defect' include:

- A definition of 'Structure' details what is included in the structure and there is a further definition of 'Load bearing', which specifically excludes coverings such as internal and external wall coverings.
- A definition of 'Defect' includes a failure to comply with the principles of British Standard 3632 for the manufacturing and materials used in the manufacture of new Homes.
- Damage is physical damage to the Home caused by a 'Defect'.
- The owner is obligated to protect the structure of the home with regular maintenance and retain evidence of such maintenance.

Mr and Mrs Y belief is that the MgO boarding should be considered in conjunction with the external walls and, as such, be seen as integral to the home and therefore, structural. The reality is that the boarding is an external covering and, in this case, the MgO boarding was excluded from the warranty. I am satisfied that the boarding does not fall with the definition of 'structure' and it's apparent that it is not intended to be integral to the structure of the home; it is a covering and not load bearing and therefore not covered.

Damage to the external covering was evident by a rippling appearance and later render detachment. This rippling was, in my conclusion, first initiated by the incorrect brick skirt height which allowed water ingress. That issue is not really in dispute and was remedied within the first two years by the [redacted]. I am satisfied it was not a result of a 'defect' in terms of the manufacture of the home, or a structural defect, but rather an issue with the siting and installation of the home.

I have considered all that Mr and Mrs Y have said and there is a difference of opinion between them and Assist about the reasons for and impact of the change in the brick skirting. I am satisfied there was water ingress, and that the MgO boarding was neither part of the structure as defined in the policy or in and of itself a defect. As such, the maintenance issue is secondary to the crux of the complaint, but in any case, it's apparent that Mr and Mrs Y have not been able to demonstrate with documentation that maintenance has been conducted in keeping with the policy terms.

In conclusion:

- MgO boarding is supported by the academic research paper as an appropriate sheet covering in the construction industry.
- The MgO was not a ‘defect’ and does not fall within the definition of ‘structure’.
- Any water ingress, which was the cause of the damage, started with the poor installation and citing of the home.
- Mr and Mrs Y’s claim is not covered by the warranty.

Final Decision

My final decision is that I do not uphold Mr and Mrs Y’s complaint and therefore do not require Assist Insurance Company Ltd to take any further action.

Sean Hamilton
Ombudsman

Date: 18 August 2025