

The complaint

Miss C and Mr S complain that AmTrust Europe (“AmTrust”) has treated them unfairly in relation to their buildings warranty.

What happened

The background of this complaint is well known to all parties, so I’ve summarised events.

- In June 2019 Miss C and Mr S purchased a new build property which included an AmTrust warranty.
- Miss C and Mr S raised concerns about damage to the property and AmTrust considered this under its conciliation scheme producing a technical report in August 2020 outlining the issues it identified as defects and those which required further investigation. In August 2021 a second technical report was produced.
- Miss C and Mr S raised concerns about a range of issues, including defects, data protection, policy exclusions, claims handling amongst others. The complaint was brought to this Service and a final decision was issued.
- A further complaint was made about events and AmTrust’s claims handling that followed. AmTrust answered this complaint in December 2021. It said it had been communicating with the developer in line with its conciliation process but would now consider taking the claim forward itself.
- Our Investigator looked into things and upheld the complaint. She said AmTrust’s decision to provide the developer with a further three months to action defects that were identified over a year before was unreasonable. And she awarded £200 in compensation for the delays that were caused.
- AmTrust agreed, but Miss C and Mr S didn’t. They provided a detailed reply outlining the stress and time AmTrust’s actions had caused them as well as a timeline of events. In addition, they discussed AmTrust’s actions being intentionally frustrating and that the compensation awarded would not act as a deterrent. Miss C and Mr S asked for the compensation to be increased and an apology from AmTrust’s agent.
- Our Investigator looked again and increased the compensation to £300 in light of evidence Miss C and Mr S submitted, suggesting missed appointments, and lack of communication around visits.

Miss C and Mr S still disagreed. They detailed the developer’s actions that had impacted the claim, and said AmTrust should be considered liable for these. So, the matter has been passed to me for an Ombudsman’s final decision.

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.

Having done so, I’m upholding this complaint. I’ll explain why.

- My role as an Ombudsman at this Service requires me to say how I think a complaint should be resolved quickly and with minimal formality. That means I'll focus on what I consider to be the crux of the complaint. Where I don't comment on every point made by the parties, that's not to say I haven't seen or considered them, it's just I don't consider it necessary to specifically reference them in reaching my decision.
- The crux of this complaint is about delays and claims handling. AmTrust has acknowledged that its decision to allow the developer a further three months has delayed this claim. And it hasn't disputed concerns raised about missed appointments or a lack of communication around visits.
- So, the matter I have to consider here really comes down to compensation. And to be clear, I am looking at events that followed the previous final decision, up until December 2021 – meaning I'm not looking at the full life of the claim, and just a period of it.
- Miss C and Mr S have provided a lot of information to outline the impact this claim has had on their mental wellbeing, and the time they've invested in trying to resolve matters. I've reviewed all of this carefully, and it's clear to me AmTrust could've handled this much better than it has for the reasons our Investigator has given.
- However, while I think it's reasonable to hold AmTrust responsible for the delays in progressing the claim, I'm not persuaded that it would be reasonable to hold AmTrust directly responsible for each of the developer's actions or inaction in the circumstances. I say this as they are separate entities.
- And as our Investigator has outlined previously, I want to be clear any compensatory award directed by this Service is not intended to act as a deterrent to a firm – it is intended to reflect the distress and inconvenience in the particular circumstances.
- So, I'm satisfied an award of £300 compensation is fair and reasonable in all the circumstances of this complaint, and recognises the matter being prolonged by AmTrust's actions. And I'm not directing it to do anything further beyond this.

My final decision

For the above reasons, I'm upholding this complaint. AmTrust Europe Limited must pay Miss C and Mr S £300 in compensation for the distress and inconvenience it has caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C and Mr S to accept or reject my decision before 19 December 2022.

Jack Baldry
Ombudsman