

The complaint

S complains Amtrust Europe Limited unfairly withdrawn an offer to provide a self-build building warranty.

Amtrust's been represented by an agent for the insurance arrangement and complaint. For simplicity I've referred to the agent's actions as being Amtrust's own. S is a limited company. It's been represented for the complaint. For the same reasons I've referred to its representatives' actions as being its own.

What happened

S applied for a Amtrust building warranty for a self-build property it was developing. A build start date in June 2019 was set. The terms required the build to be complete by three years from that date.

That deadline was extended by Amtrust on a couple of occasions – taking the deadline into August 2022. On 9 August Amtrust requested various completion certificates and a final inspection. S provided most of these the following day. But it was unable to provide building control certification as a few issues were outstanding. Amtrust's inspection took place on 11 August 2022. Following that S was asked to provide a warranty for roof works. S explained kitchen worktop should be fully complete by the end of September 2022. Amtrust considered a further extension but ultimately declined one. On 15 August 2022 it withdrew the warranty offer.

S complained about the decision. It said pandemic restrictions had delayed work. It said all work had been completed, apart from fitting of kitchen worktops. These had been delayed by suppliers. It said final certification inspection had been carried out.

In November 2022 Amtrust responded to the complaint. It said as a courtesy the build period had been extended twice – allowing an additional two months. It concluded the cancellation had been made in line with the terms of the policy. It didn't agree to a further extension or to provide a warranty.

S wasn't satisfied, so came to this service. To resolve its complaint S would like Amtrust to reinstate the warranty. Our Investigator felt Amtrust had acted fairly and within the terms of the policy when issuing the cancellation. So he didn't recommend it provide a warranty or do anything differently. As S didn't accept that outcome the complaint was passed to me to determine.

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 this is an informal service I'm not going to respond here to every point or piece of

evidence S and Amtrust have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

The policy terms say unless its otherwise agreed Amtrust reserves the right to cancel the cover in the event of the 'building period' exceeding three years from the start date.

At the point the third request was declined, and warranty offer withdrawn, it was more than three years from the build start date. Kitchen worktops hadn't been fitted. The building control certificate hadn't been issued – a couple of items, including window restrictors, were outstanding. A roof warranty hadn't been provided to Amtrust.

There has been some discussion about the outstanding certificate of roof warranty being the reason for the policy offer being withdrawn. If that was the only issue, I might find Amtrust had been unreasonable. It does seem, as S points out, its first request for the document was just a few days before the policy offer was withdrawn. But as I've explained it wasn't the only thing outstanding.

S has made various points about the irrelevance of the outstanding works and certification to the coverage of the proposed warranty. As far as I've seen 'building period' isn't defined by the policy. But the terms do explain the insured home is required to meet building regulations. That hadn't been signed off formally. So taking that into account I can't say it was unreasonable for Amtrust to say the building period had exceeded three years.

I've also considered if Amtrust acted unfairly and unreasonably by declining the extension request – and so withdrawing the offer of the warranty.

I've taken into account S' explanations for delays – including the pandemic, supply issues and personal circumstances. However, Amtrust had provided two extensions, totalling two months, already. Having considered the circumstances I can't say Amtrust's decision not to provide a third extension was unfair or unreasonable. So I'm not going to require it to reinstate the warranty or to do anything differently.

My final decision

For the reasons given above, I'm not upholding S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 20 February 2024.

Daniel Martin
Ombudsman