

## **The complaint**

Miss S has complained about her building warranty provider Amtrust Europe Limited. She is unhappy because it won't refund her the cost of a report.

## **What happened**

Miss S noted water damage in a bedroom. As her property benefitted from a building warranty she contacted Amtrust. Amtrust declined the claim. It said, if Miss S wanted to challenge its decision, she would have to get a report.

Miss S obtained a report and quotes for external work. Amtrust agreed to pay for the external work, it made no offer or comment regarding the internal damage. Miss S claimed from her buildings insurer for repair of the internal damage. The external work was subsequently completed by the property's developer. Miss S was asked to pay for the report her contractor had produced and she asked Amtrust to cover that cost. It refused.

Amtrust said it had been right, when it had initially declined the claim, to ask Miss S to approach her buildings insurer. It said the cost of the report was not something it would cover – it had been necessary for Miss S to show she had a loss covered by its warranty.

When Miss S complained to this Service our Investigator felt Amtrust should be reimbursing the report cost, plus interest. She explained that was because the report had influenced Amtrust's decision on the claim. She said it should pay £150 compensation.

Miss S said she was happy with the outcome. Amtrust said it disagreed with it.

Amtrust said it was part of its policy to always require every warrantyholder to provide a report to prove their loss. So it said its initial decline of this claim was irrelevant. It pointed to policy wording which said the cost of preparing or investigating a claim is borne by the warrantyholder.

The complaint was referred for an Ombudsman's 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 considered the circumstances here, I find I agree with our Investigator and for the same reasons. I note what Amtrust says about its general policy, and it's not part of my role to change the way an insurer does business. But I would note that this service often doesn't feel it is necessary for an insured making a claim to do more than show, on the face of it, they likely have suffered loss, damage or maybe a defect, covered by a policy or warranty.

In any event, what Amtrust might generally do is not really relevant here. Here Amtrust did not initially require Miss S to obtain a report. Rather Amtrust considered her claim and declined it based on terms of the policy. Amtrust invited Miss S to challenge that claim decision by providing of a report. Which she did. That report then changed Amtrust's view on the claim and the claim was accepted.

It's long been the approach of this service that where an insured incurs a cost which changes the course of a claim (or complaint), that they should not be left out of pocket for that charge. Nothing I've seen here gives me any good reason to think I should step away from that approach in respect of Miss S's claim and complaint. As such I require Amtrust to reimburse the report cost, plus interest applied from the date Miss S paid for the report until settlement is made.

I understand that it's been quite upsetting and inconvenient for Miss S, having to obtain the report and go through her buildings insurer. I understand the buildings insurer settled with her for the internal damage. I wouldn't expect the warranty provided by Amtrust to cover all internal damage that might occur in a situation like this. Not least as it would only be liable for major damage caused by a defect. And if the buildings insurer accepted liability then that suggests it was satisfied that the internal damage had been caused by a storm rather than any defect in the building. Otherwise the buildings insurer would likely have declined the claim. But I understand the added stress this would all have caused to Miss S when she expected, when her report identified defects in the roof, Amtrust to respond to the internal damage. I'm satisfied that requiring Amtrust to pay Miss S £150 compensation is fair and reasonable.

### **Putting things right**

I require Amtrust to pay Miss S:

- £240 as reimbursement of her costs incurred for the expert report which changed its claim decision, plus interest\* applied to that sum from the date of loss to the date of settlement.
- £150 compensation

\*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Amtrust to take off tax from this interest. If asked, it must give Miss S a certificate showing how much tax it's taken off.

### **My final decision**

I uphold this complaint. I require Amtrust Europe Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 14 February 2025.

Fiona Robinson  
**Ombudsman**

