

The complaint

Mr T's complained that AmTrust Specialty Limited didn't deal promptly with his home emergency claim when a leak was identified.

What happened

Mr T owns a rental property, which is tenanted. As the landlord, he insures it. His policy includes home emergency cover, which is underwritten by AmTrust.

In summer 2024, Mr T became aware there was a leak from the downstairs toilet at the property. So he contacted AmTrust to arrange for someone to attend and deal with the leak under cover provided.

AmTrust sent a contractor. But they didn't deal with the leak because they said it wasn't accessible – and they didn't do trace and access work to find it. Mr T disagreed with this assessment and said the pipe was accessible, although a panel would need to be removed for access. AmTrust maintained that trace and access was needed to make a repair and said Mr T's policy didn't provide that cover. Three days after he first reported the leak, Mr T arranged for his own contractor to attend and temporarily fix the leak.

Mr T complained to AmTrust. He said he'd been unable to get through to them when he'd first tried to log a claim. And he'd asked to be contacted about any decision made about the property. But the contractor had only spoken to his tenant about the need to turn the water off. The tenant hadn't wanted the contractor to do that – which Mr T said contributed to there being greater damage to the property. Finally, he complained that he'd had to appoint his own contractor – which had left him out of pocket. At AmTrust's request, Mr T sent them a copy of the invoice from his own contractor.

In their response, AmTrust said there was no evidence of Mr T's calls to them. But they apologised if there had been no reply when he called. They said there had been no delay by contractors, but they couldn't do the work because the source of the leak needed to be traced and accessed. In respect of following the tenant's instructions to leave the water on, AmTrust they needed to follow the wishes of the occupier, as it was them who would have been affected had the water been turned off.

In response to further complaints raised by Mr T about the availability of trace and access under the policy, AmTrust accepted there was no specific exclusion of this. But they said it's not reasonable to expect that all events excluded from cover are stated as such.

Mr T wasn't satisfied with AmTrust's response and brought his complaint to the Financial Ombudsman Service. Our investigator reviewed all the information and concluded AmTrust hadn't acted fairly. She saw AmTrust's notes indicated Mr T did have trace and access cover, but that the contractor they'd instructed didn't do that work. And she noted there was no specific exclusion – so she thought it was fair to say AmTrust should have covered this.

The investigator concluded it was fair for Mr T to be reimbursed what he'd spent on calling out his own contractor. And she said AmTrust should pay him £150 for the distress and

inconvenience he'd experienced. But she didn't think they needed to compensate Mr T for the damage caused by the leak because it was his tenant who refused to have the water turned off.

AmTrust didn't agree with the investigator's view. So I've been asked to make a 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 that, I'm upholding the complaint. I'll explain why.

My role is to decide whether AmTrust dealt with Mr T's claim fairly and in line with the policy terms. The usual starting point for making that assessment is the policy terms and conditions. But, in this case, there's an issue about the extent of the cover provided. So I've thought about that first.

There's no dispute that the policy provides cover for emergency work to the plumbing system. The issue is whether that cover extends to tracing and accessing the relevant area to complete emergency repairs. The policy is silent on this issue. AmTrust's position is that there's no cover. They've said the policy can't set out absolutely everything.

I understand why AmTrust have said that. But we expect key terms to be brought to a customer's attention when they buy a policy, so they can make an informed decision about whether it's right for them.

I think that whether or not trace and access cover was included is a key term here because, in a home emergency situation, the source of a problem isn't always clear – some work is often needed to identify it before a temporary repair can be made. So, if that cover isn't included, I'd expect to see that on the face of the documents – for example, in the exclusions (of which there is a clear list), or in the Insurance Product Information Document ("IPID").

And I've considered AmTrust's notes relating to the claim. It's clear from these that there was confusion within the business about whether the policy included trace and access cover. So I don't think the policy terms are clear. And I don't think it's reasonable for AmTrust to rely on the absence of wording about trace and access cover in policy wording to say it's not covered.

While AmTrust said there was no delay in their claim handling, the confusion about the extent of cover did lead to additional exchanges between AmTrust's handlers before they told Mr T they wouldn't instruct another contractor to attend the property. I'm satisfied this frustrated and inconvenienced him.

But I don't think AmTrust acted unfairly when their contractor relied on the tenant's decision not to turn the water off. I think it was reasonable to consult the person who would be affected by that decision. That was the tenant and their family – not Mr T. I also note that, when the water was turned off at the stopcock, it didn't stop the leak. So I'm not persuaded doing as the tenant asked had a negative impact on Mr T.

Putting things right

Because I think AmTrust didn't treat Mr T fairly, I've thought about what they need to do to put things right. Our usual starting point is that they should (as far as possible) put Mr T back into the position they would have been had nothing gone wrong.

As I've said above, the policy doesn't make clear whether it includes trace and access cover. In circumstances where a policy is unclear, our usual approach is to construe that uncertainty in favour of the customer. While I acknowledge the parties don't agree on whether trace and access work was needed, I don't need to make a finding on that, because construing the uncertainty in his favour means Mr T would have had the benefit of trace and access cover.

If AmTrust had accepted that, Mr T would have had an emergency repair completed at no cost to him. What actually happened was he called in his own contractor, who completed a repair for £450. That's within the £500 cover the policy provides in these circumstances. I've seen the invoice provided by the contractor and I'm satisfied it's for effecting a temporary repair.

So I agree with our investigator AmTrust should reimburse Mr T for this amount. And, in line with our published guidance, I think that AmTrust should pay 8% simple interest on this amount, calculated from the date he settled the contractor's invoice until AmTrust reimburse him.

In respect of compensation, I can see Mr T feels he should receive more than the £150 compensation our investigator recommended. I've considered what he's said. But a contractor attended on the day AmTrust were notified of the leak. I've already said I think it was reasonable to act on the tenant's instruction not to turn off the water – so I can't factor that into assessing what compensation is reasonable.

Nor can I say that AmTrust's contractor's actions contributed to the damage to the kitchen cabinets, as Mr T submits. I've noted above that turning the water off at the stopcock didn't stop the leak. And I've taken into account that, even if they'd effected a repair under the terms of the policy, that wouldn't cover more than the immediate work on the leak itself. The home emergency policy doesn't provide cover for damage arising from that leak.

Having taken all that into account, I agree with our investigator that £150 is a reasonable amount of compensation for AmTrust to pay.

My final decision

For the reasons I've explained, I'm upholding Mr T's complaint about AmTrust Specialty Limited and directing AmTrust to:

- reimburse Mr T what he paid his contractor to make an emergency repair;
- pay 8% simple interest on that amount, calculated from the day Mr T settled the invoice until the day they reimburse him; and
- pay Mr T £150 compensation for the inconvenience he's suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 May 2025.

Helen Stacey
Ombudsman