

The complaint

Miss L's complaint is about the refusal of a claim under her legal expenses insurance cover with AmTrust Europe Legal Limited.

AmTrust is the underwriter of this policy, *i.e.* the insurer. Part of this complaint concerns the actions of the agents it uses to deal with claims and complaints on its behalf. As AmTrust has accepted it is accountable for the actions of the agent, in my decision, any reference to AmTrust includes the actions of the agents.

What happened

In May 2024, Mrs L contacted AmTrust to make a claim as she wants to take legal action against a contractor that had carried built a conservatory at her property.

AmTrust rejected the claim as it said the policy covers contract disputes but specifically excludes disputes about contracts for building work to Mrs L's home where the contract value is more than £20,000. It says the work Mrs L had done to her home was for a contract value of £40,000, so it exceeds the limit in the policy and falls within the exclusion. AmTrust said Mrs L could still access advice from the legal helpline also provided as part of her policy but that it would not cover the claim for legal costs involved in the dispute with the contractor.

One of our Investigators looked into the matter. He did not recommend the complaint be upheld, as he was satisfied that AmTrust is entitled to rely on the policy exclusion that it did to reject Mrs L's claim.

Mrs L does not accept the Investigator's assessment. She has said she has a limit of indemnity of £100,000 and wants cover for this claim. Mrs L also raises a number of other issues, including the mis-use of a Government designed computer system, which led to the poor design of the conservatory, and that this is part of a wider issue. Mrs L also made a claim under her buildings insurance cover for the faults with the conservatory to be rectified.

For the sake of clarity, I am only dealing with the claim under the legal expenses insurance policy with AmTrust regarding the conservatory. I am unable to comment on the wider issues Mrs L has referred to, as they are outside my remit; and any complaint about her other claims are to be dealt with separately.

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.

Mrs L's policy with AmTrust provides cover for legal costs involved with various disputes. The section of cover relevant to this complaint says:

"Contract disputes

a) Legal costs for defending or pursuing a legal claim arising from a dispute over:

- you buying, hiring or leasing any personal goods or services;*
- you selling any personal goods; or*
- you buying or selling your property..."*

The above section of cover is subject to a specific exclusion as follows:

"We do not cover the following ...

a) Any claim relating to:

- work and/or advice by a builder or contractor given to you about the specification, design, planning, building or structural change in or on your property where the contract value is over £20,000 including VAT".*

The above exclusion is sufficiently clear and unambiguous. I also do not consider it inherently unfair or unreasonable, as insurers are generally entitled to decide what cover they want to provide for the premiums charged. AmTrust has decided it does not want to cover contract disputes where the contract in question was for significant works, costing more than £20,000 (including VAT), to the policyholder's home.

Mr L told AmTrust that the conservatory cost her £40,000 and I've seen no evidence that this was not in fact correct and it cost less than £20,000. Given this, Mrs L's claim does unfortunately fall within the policy exclusion set out above. AmTrust is therefore entitled to rely on the exclusion and reject the claim.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 24 April 2025.

Harriet McCarthy
Ombudsman