



The complaint

Mr C complains that AmTrust Specialty Limited has unfairly declined a claim under his legal expenses insurance policy.

Where I refer to AmTrust, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

Following the purchase of a new build property, Mr C discovered multiple snagging issues and defects, including problems with the boiler. He raised his concerns with the developers, but when they didn't resolve things, he made a claim to AmTrust under his legal expenses insurance policy.

AmTrust declined the claim. It said the policy only covers contract disputes relating to the buying or renting of goods and services – of which a property is neither.

Mr C didn't agree, he says a property is "goods". He says he was told by the legal helpline, prior to making a claim, that he was covered. He raised a complaint, and when it wasn't upheld, he brought it to our Service.

Our Investigator was satisfied AmTrust had declined the claim in line with the policy terms and hadn't treated Mr C unfairly. As Mr C didn't accept this, the complaint has been passed to me to decide.

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.

I'd like to reassure Mr C that whilst I may have condensed what he's told us in far less detail and in my own words, I've read and considered all his submissions in full. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail he'd like, in order to reach my decision. This isn't meant as a discourtesy but simply reflects the informal nature of our service.

The terms of Mr C's legal expenses insurance policy say it will cover:

"Consumer Pursuit

Adviser's costs to pursue legal action following a breach of contract you have for buying or renting goods or services for your private use."

The policy doesn't define "goods". I'm not persuaded it needs to as this term is common in legal expenses policies and is, on the whole, straightforward to interpret. However, I've considered whether a reasonable definition of "goods" would include a property.

I think goods are generally understood to represent tangible items. Dictionary definitions of goods refer to personal possessions and things that are easily moveable or that can be transported. Likewise, the legal definition in the Sale of Goods Act and Consumer Rights Act refers to personal items. It can include things that are attached to land and can be removed – but land and buildings themselves are not included.

As our Investigator has explained, by its very nature, buying a property is not the same as buying personal items; it's a very different type of transaction. Someone buying a house doesn't have the same rights as a consumer buying personal goods. I don't think people would regard buying a house in the same way as buying goods or services. And I'm not persuaded that was the intention of cover under the policy terms.

I appreciate Mr C says he also believes his claim falls under "services", but my understanding is that he's entered into a contract with the developers to purchase a property – not to purchase services. But ultimately, the onus is on Mr C to prove he has a valid claim. So if he wishes to continue to dispute the cover under his policy, he may want to seek legal advice – at his own cost – to establish whether he has a legal claim for breach of contract for buying or renting goods or services. If the legal advice is supportive, he should provide this to AmTrust in the first instance and I'd expect it to consider it.

For that reason, I'm not persuaded AmTrust has declined the claim incorrectly or unfairly.

Mr C has mentioned that he has a claim for nuisance and trespass against the developers. As our Investigator has explained, this was raised after AmTrust issued its final response to this complaint. This issue has not been addressed in the final response letter dated 22 March 2024. If Mr C wants our Service to consider a complaint about this claim, he would need to raise his concerns to AmTrust in the first instance. When he has a final response letter addressing this complaint point – or if eight weeks passes without one – he can refer the matter to us.

And finally, Mr C also says he was told by the legal helpline, prior to making a claim, that he was covered. However, on listening to the recording of this call, I don't agree. I'm satisfied the adviser on the call made it clear that they weren't able to advise whether the claim was covered and that would be considered by the claims team.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 July 2025.

Sheryl Sibley
Ombudsman