

## **The complaint**

Mr S complains about what AmTrust Specialty Limited did after he made a claim on his rent protection and tenant eviction insurance policy.

## **What happened**

In June 2024 Mr S said he'd obtained possession of his rented property and claimed for rent arrears which had accrued since April 2023. Amtrust turned down the claim. It said the policy didn't cover claims that weren't made within 45 days of the date of the event giving rise to them. And in this case the tenant stopped paying rent over a year ago.

It declined the rent arrears claim but said it would consider the legal costs Mr S incurred in evicting the tenant. Mr S said significant life events meant he'd forgotten he had this cover which is why he hadn't claimed earlier. He thought these should be taken into account. Amtrust didn't change its position.

Our investigator agreed the claim had been brought outside of the 45 day timeframe contained in the policy. And that delay meant the rent arrears increased. While the eviction process for a tenant would always have taken time, as Amtrust wasn't told about the claim earlier it lost out on the opportunity to have control over those proceedings. She thought the delay had prejudiced its position. She acknowledged the difficult circumstances affecting Mr S but didn't think that prevented him making an earlier claim.

Mr S didn't agree. He clarified what the rent arrears were comprised of and disputed these predated the start date of his policy as Amtrust had also suggested. He didn't think eviction would have been achieved any quicker if Amtrust had been notified earlier so didn't agree its position had been prejudiced. And he drew attention to the issues affecting him and his family which meant he wasn't able to make the claim earlier than he did. He also highlighted case law which he believed supported his position.

So I need to reach 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.

The relevant rules and industry guidelines say Amtrust has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I've looked first at the terms and conditions of Mr S's policy. Amtrust appears to have accepted the claim he made is one that could potentially fall within the rent protection cover the policy provides. But it's a general condition of cover that "*you must submit your claim to us within 45 days from the date of event; and within the period of insurance*". The policy excludes claims where that condition hasn't been met. And it defines date of event as "*the date of any event which may lead to a claim; where there is more than one such event, the date of the first of these*".

In this case the rent arrears (which are what lead to Mr S's claim) began in April 2023. And he didn't claim on his policy until June 2024. That's clearly significantly outside of the 45 day timeframe the policy contains. So I'm satisfied the policy condition hasn't been complied with and the exclusion applies. I've therefore gone on to consider whether it's fair to apply it in the circumstances of this case. For that to be the case we'd normally expect an insurer to be able to show how the late notification had adversely affected (prejudiced) its position (I note the case law Mr S has also cited in support of that position).

In this case Amtrust has drawn attention to the extent rent arrears had built up at the point it was told about the claim. I think that's a reasonable point to make. I understand the monthly rent was £1,400 a month (which subsequently increased). So if Mr S had contacted Amtrust within 45 days of the arrears beginning they would likely have totalled around £2,100. When Mr S did make his claim they were £11,200. That clearly means the amount Amtrust was potentially liable for was much higher than it otherwise would have been.

Mr S says even if Amtrust had been aware of the claim earlier the eviction proceedings he took against the tenant would still have been required meaning the rent arrears would have accrued in any event. I appreciate he did take proceedings against the tenant but as Amtrust wasn't aware of the claim it lost out on the opportunity to have any involvement or control of those proceedings.

And I think there's further prejudice to Amtrust's position because by the time it became aware of the claim the tenant had left the property and I understand is now living abroad. I think it's fair to say that will make recovery action for the arrears significantly more difficult (if not impossible). That means Amtrust is unlikely to be able to make recovery of any monies it pays out to Mr S from the tenant (and that might not have been the case if it had been told about the claim earlier). For the reasons I've explained I'm satisfied its position has been prejudiced by the late notification of the claim.

I understand Mr S didn't contact Amtrust earlier because of some particularly challenging circumstances which impacted him and his family. I've carefully considered the information he provided and I'm grateful to him for sharing information about this. I accept he needed to provide support to his family and I don't doubt this will have been a difficult time for him. However, it appears he continued to work throughout this period. And these issues didn't prevent him from taking possession proceedings against his tenant.

In fact it appears the primary reason Mr S didn't make an earlier claim was because he forgot he had cover on his policy with Amtrust. I understand why he might have done so particularly given the other issues he had to deal with. But I don't think that provides grounds for me to direct Amtrust to pay a claim which is excluded by its policy and where I'm satisfied its position has been prejudiced by non-compliance with the terms.

Amtrust also raised a concern about whether, based on the amount of rent due, the arrears predated the policy terms. Mr S subsequently explained how the arrears listed in the possession order had been calculated. However, as I think Amtrust is in any event entitled to decline cover on the basis of late notification this isn't an issue I need to consider.

**My final decision**

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 August 2025.

James Park  
**Ombudsman**