

## **The complaint**

Mrs C and Mr L complain about AmTrust Specialty Limited's handling of their building warranty claim.

Mrs C and Mr L are both complainants. But for ease of reading, and as he's been the main correspondent, I generally only referred to Mr L. AmTrust's been represented for the claim and complaint. Again, for simplicity I've referred to the representatives' actions as being AmTrust's own.

## **What happened**

In late 2022 Mr L claimed against his AmTrust building warranty. His property was suffering from water penetration around some of its windows and doors. In December 2022 AmTrust declined the claim. Later it withdrew that position and started claim investigations.

In December 2024 Mr L raised a complaint about AmTrust's handling of the claim. His concerns included the following: unjustifiable and unreasonable delays, threats, abuse of power and shifting positions on claim coverage and liability. In January 2025 AmTrust issued a complaint final response. It considered events since the issue of a previous complaint final response, in August 2023.

AmTrust's findings included the following. It had provided consistent updates on the progress of the claim, but apologised for some query responses being vague or taking too long. It acknowledged its position on liability for required works should have been communicated more effectively. It found a decision to pause initial works had been made with the best intention of avoiding liability issues, but acknowledged payment for works to doors and windows had been delayed unreasonably. It said a decision to pursue the original building firm for completion of the repairs had been taken in line with the warranty terms, but accepted the unsuccessful process had taken too long. In conclusion, AmTrust accepted it was responsible for some unnecessary distress and inconvenience to Mr L. It offered £1,000 compensation in recognition.

In January 2025, unsatisfied with AmTrust's response to his complaint, Mr L came to the Financial Ombudsman Service. He said its proposed compensation isn't enough to recognise the mishandling of the claim, the unfair burden put on him and his family and the significant time he had committed to progression of the claim.

In May 2025 our Investigator provided her assessment of the complaint. She said as Mr L had referred his complaint here more than six months after the issue of the August 2023 final response, she was unable to consider the matters it addressed. She said she would consider only events and concerns related to matters after that date and up to date of the January 2025 final response.

The Investigator found AmTrust responsible for unnecessary delay and misleading or inconsistent communication. She felt this had been responsible for significant unnecessary distress and inconvenience for Mr L across about 16 months. She found AmTrust's offer of £1,000 compensation insufficient to recognise the impact on him. She felt £2,500

compensation would more appropriate. She also recommended AmTrust pay simple interest, at 8%, on claim related costs Mr L had covered from his own funds.

Whilst AmTrust accepted the compensation recommendation, Mr L didn't. He considered £2,500 to be significantly short of appropriate compensation - for what he considers has been sustained mistreatment, financial harm, emotional distress and severe disruption to his and his family's life. To resolve his complaint, he would like AmTrust to pay him £37,000 compensation. As the complaint wasn't resolved by the Investigator it was passed to me, as an Ombudsman, to decide.

Following the January 2025 final response, Amtrust issued several more - including in April and May 2025. I'm not considering the matters addressed in those responses. With complaints of this nature, involving ongoing claims, we often need to draw a line in the scope and timeline of considerations. Otherwise, it can be very difficult to reach a conclusion on ongoing matters. So for reasons of practicality, here I've only considered matters, concerns and events arising since the August 2023 final response – and up to and including the January 2025 one.

I haven't considered here Mr L's concerns about the final scope of liability AmTrust accepts or the total amount offered to settle the claim. These acts will have occurred after the January 2025 limit of this decision's consideration. It follows then that I haven't considered here any concern Mr L may have about the possible consequences of an unreasonable limitation to AmTrust's settlement - including the possibility of his property consequentially not complying, after the settlement, with building regulations and/or any potential impact on its value.

Those issues can't be effectively determined in a complaint considering mid claim events, prior to a final liability decision, settlement or repair. If Mr L continues to have such concerns, they would be more appropriate for consideration in a further complaint.

### **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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr L and AmTrust have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

AmTrust has accepted the recommendation to pay £2,500 compensation in total. Mr L feels that isn't enough. So my main consideration has been to decide if that is a fair level of compensation to recognise the impact on him of poor claims handling during the period covered by this decision. Having done so, I'm satisfied it is.

I've considered Mr L's points about AmTrust's actions in the relevant period. These include his concern that it threatened to cancel his policy for non-cooperation, unreasonable delay of the claim including by attempting to involve the property's developer and poor communications. I've also considered his descriptions of the impact on him and his family – including sustained mistreatment, emotional distress and severe disruption.

I'm not going to set out in detail my thoughts on AmTrust's handling of the claim and treatment of Mr L. That's because the Investigator has already provided a fair summary of what it got wrong.

I accept AmTrust's responsible for unnecessary delay during the relevant period. But some of its actions were reasonable and necessary as part of its claim handling and assessment of liability. This includes the investigation of the condition of the property and scope and cause of the problem, including the requirements for an engineer's assessment. And it was reasonable for AmTrust to involve the original builder in investigation of the claim.

However, AmTrust didn't manage these various processes as effectively as I'd expect. It's difficult to say exactly how much avoidable delay to these failings caused. As a rough estimate, I'd say perhaps 10 months or so, during the 16-month period I'm considering.

Again, I'm not going to provide much detail of my thoughts on AmTrust's communications – including it raising the potential of cancellation of his policy or its unclear position on liability. It accepts it made mistakes. I agree that it did. As examples, it was unclear on its position on liability. Its warning of the possible consequences of non-cooperation was disproportionate.

With AmTrust's errors in mind, I've considered if £2,500 is enough to recognise their impact on Mr L. Ultimately, the claim was unnecessarily delayed by about 10 months. I accept that would have been very frustrating for Mr L. But the as far as I'm aware, whilst the property wasn't in an ideal condition, and there will have been resulting disruption and inconvenience, it was in a habitable state during the relevant period.

I also accept the issues with AmTrust's communication will have caused understandable inconvenience, frustration, distress and possibly some damage to his relationship with his own chosen repairer across the relevant period. And I can see Mr L had to, due to AmTrust's poor handling, commit significantly more time and energy, than otherwise necessary to progressing the claim.

£2,500 is within the range this Service considers appropriate compensation where a business's mistakes cause sustained distress, potentially affecting someone's health or severe disruption to daily life for more than a year. I'm satisfied that Mr L and his family's experience sit within this range. I realise this will be very disappointing for him, but this means I will require AmTrust to pay £2,500 compensation in total - but I won't be requiring it to pay more than that.

Mr L referred to this level of award providing no deterrent to firms. He feels there should be some sort of punishment for what he describes as a 'delay and deny' approach to claim handling. On that point, I'm not persuaded there was a conscious effort, by AmTrust, to frustrate or sabotage his claim through delay. It was instead more likely a poorly managed effort to understand the limit of its liability for the loss. That isn't an inherently unreasonable aim, however it should be managed without unreasonable impact on the policyholder.

Our compensation awards, returning to Mr L's deterrent point, aren't intended to serve that purpose. Instead, they aim to recognise the emotional or practical impact of a business's mistake on the complainant.

I've also considered issues of financial loss arising from AmTrust's action during the relevant period. Mr L referred to AmTrust's claims handling potentially preventing him from selling or renting out the property. I accept its possible Mr L had plans to do so, but I haven't seen persuasive evidence that either of these would likely have happened, but for AmTrust's handling of the claim. So I'm not going to require AmTrust to take any action on this point.

In its January 2025 final response AmTrust apologised for delaying payment for works to doors and windows. Mr L had used his own funds to cover the cost. To make up for him unfairly being without the use of those funds, the Investigator recommended AmTrust pay simple interest, at 8%, on the reimbursement. She said that should be applied from the date

he paid the invoice to the date he was reimbursed. For the same reason, I'm making the same award.

### **My final decision**

For the reasons given above, I require AmTrust Specialty Limited to pay Mrs C and Mr L a total of £2,500 (including the £1,000 originally offered) compensation for the period covered by this decision and pay simple interest, at 8%, on the payment as set out above\*.

\*If AmTrust considers it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs C and Mr L how much it's taken off. It should also give them a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr L to accept or reject my decision before 17 December 2025.

Daniel Martin  
**Ombudsman**