

The complaint

Mr D has complained that Amtrust International Underwriters DAC (Amtrust) has mishandled a claim he made under his Build-Zone Structural Warranty.

What happened

Mr D's property is covered by a Build-Zone Structural Warranty Policy underwritten by Amtrust. Mr D made a claim on the policy shortly after moving into the property as there were several issues with the quality of the build.

A previous complaint about Mr D's claim has been looked into and decided by the Financial Ombudsman Service. Amtrust accepted the claim following the conclusion of that complaint, but Mr D has since raised a new complaint about significant delays in the progress of his claim since the ombudsman's decision on the first complaint. Mr D has also complained after he discovered the sum insured had nearly been exhausted by this claim. He says the amount selected means the warranty was mis-sold.

An investigator at the Financial Ombudsman Service considered Mr D's complaint and determined there were parts of it which aren't within our power to consider – under the rules which govern our jurisdiction. These issues were:

- The sum insured agreed during the sale – because Mr D wasn't eligible to complain about matters arising from the sale of the policy, as it wasn't sold to him.
- The issues covered in Amtrust's final response letter in March 2023 – because Mr D had referred his complaint about those issues too late. These issues were delays between January 2022 and March 2023 and Amtrust's refusal to pay compensation and the excess fee applied to the claim

The investigator went on to answer the points of Mr D's complaint she considered were within our jurisdiction. These were Amtrust's refusal to allow Mr D to reinstate his sum insured – in line with the policy terms – and the delays and service issues after March 2023.

The investigator said Amtrust completed the works, and so it should accept its own completion certificate as meeting the policy requirement for audit sign-off to enable Mr D to reinstate the sum insured, subject to payment of the additional premium. The investigator agreed there had been further poor service and avoidable delays during the period she was considering. She suggested Amtrust should pay Mr D £1,000 compensation to reflect this.

Amtrust accepted the investigator's recommendations, but Mr D didn't. So, as no agreement has been reached, the complaint has been passed to me to decide.

To be clear, I've issued a separate decision on whether the Financial Ombudsman Service has jurisdiction to consider certain aspects of Mr D's complaint. This decision is solely on the aspects I've decided we do have the power to consider and answer.

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 so, while I appreciate this will likely come as a disappointment to Mr D, I've reached the same conclusions as the investigator. I'll explain why below, addressing the reinstatement of the sum insured and the compensation issues separately.

Reinstatement of the sum insured

I've issued a separate jurisdiction decision, explaining why the Financial Ombudsman Service doesn't have the power to consider Mr D's complaint about the adequacy of the sum insured selected when the policy was sold. But Mr D has also complained about Amtrust's refusal to allow him to reinstate the sum insured – which is something the policy terms allow him to do, following a claim.

The policy terms explain:

"In consideration of the Limit of Indemnity not being reduced by the amount of any loss, the Policyholder agrees to pay:

- i) the pro-rata additional premium on the amount of such loss from the date of notification of claim to the date of expiry of the Structural Insurance Period relative to the Housing Unit. This Payment of any additional premium due under this condition shall be waived where the amount of any one loss covered by this Policy does not exceed £20,000.*
- ii) Any Site audit Survey Fee for checking of the design and inspection of any work relating to the repair or rebuilding of any Housing Unit which has been subject to a claim under this policy. No reinstatement shall occur unless a Certificate of Approval in respect of such repair or rebuilding work has been issued by the appointed Site Audit Surveyor."*

Amtrust initially declined to reinstate the sum insured on the basis that Mr D hadn't provided a certificate approval from a site audit surveyor. The investigator considered this and said Amtrust's position was unfair. She said Amtrust oversaw the repairs and was required to provide a completion certificate – which she said would serve the same purpose as the certificate of approval. On this basis, she recommended Amtrust should accept the completion certificate as meeting the policy requirements for audit signoff and allow Mr D to reinstate the sum insured, subject to payment of the additional premium, should he wish to.

Amtrust agreed with the investigator's recommendations here, so the matter of whether Amtrust should allow Mr D the opportunity to reinstate the sum insured is no longer in dispute. But for completeness, I agree with the investigator's conclusions, for the same reasons.

That said, Mr D hasn't accepted the investigator's outcome because he's concerned Amtrust will calculate a premium well in excess of market rates. He feels the principle of the investigator's award is effectively meaningless without expecting Amtrust to provide a premium quotation as part of it.

I've thought carefully about Mr D's concern here, but I don't consider that the amount of the new premium quotation would fall within the scope of this current complaint. This complaint was about whether it was fair for Amtrust to insist upon a certificate of approval from a site audit surveyor or not. And this issue has been answered and accepted as being unfair. Amtrust accepting this and agreeing to calculate the required premium for the reinstatement of the sum insured is the appropriate resolution for the complaint that was brought to the Financial Ombudsman Service.

Should Mr D have any concerns with the premium quotation Amtrust subsequently provides, he is free to challenge this directly with Amtrust through its complaint procedure. And should Mr D remain dissatisfied with Amtrust's hypothetical response to this hypothetical issue, at that stage, he would be able to refer those concerns to the Financial Ombudsman Service as a new complaint, subject to our normal rules and timescales.

Compensation for distress and inconvenience

Mr D initially indicated he was happy to accept the £1,000 recommended by the investigator – and accepted by Amtrust. But in his most recent correspondence, he's indicated that he doesn't think it goes far enough to recognise the mistakes Amtrust made or the impact they had on him and his family.

I should point out that in answering this complaint issue, I'm unable to comment on the parts of the complaint that have been covered in the earlier complaint considered by this service or determined to fall outside of our jurisdiction. This means I'm not considering any avoidable distress or inconvenience Mr D suffered prior to March 2023 or as a result of his concerns with the sum insured selected or excess applied to his claim.

Mr D has provided some detail about his health issues and how these have been exacerbated by the delays with his claim. Given the sensitivity of the issues, I won't repeat them. But I want to reassure Mr D that I've carefully considered everything he has told us about his health and how Amtrust's failings have impacted this.

Mr D has also explained he's effectively been required to drive the claim forward at all stages to avoid unreasonable delays and to mitigate the impact on him and his family. This has included having over 600 email exchanges with various parties and attending over 30 site visits or meetings with Amtrust or its agents. This would undoubtedly be both inconvenient and distressing. Mr D was also contacted by one of the contractors who repaired his property, because Amtrust hadn't paid a final retention amount. Mr D was told if the issue wasn't resolved they'd be pursuing him for the amount instead. Again, I can imagine this would have been hugely concerning for Mr D.

That all being said, I also need to consider that a lot of the delays, and lack of adequate claim management, took place during periods I'm not able to consider as part of this complaint. I'm also mindful that the works were completed in 2024, and so the distress and inconvenience caused by the claim handling has not been ongoing during the full period I'm considering. And likewise, a lot of Mr D's frustration appears to stem from the complaint he has about the adequacy of the sum insured, which I'm not able to consider either.

When I consider everything that happened solely during the period I'm looking at, and the impact these errors had on Mr D, I think the £1,000 compensation recommended by the investigator is enough to put things right. I say this because I think £1,000 adequately reflects that Amtrust's failings have exacerbated the serious disruption to Mr D's daily life over a sustained period of time. And that it has required a substantial amount of avoidable effort on Mr D's part to ensure his claim was properly progressing – which was all made even more difficult and distressing due to his health issues.

Based on everything I've seen, I think Amtrust should pay Mr D £1,000 compensation for the avoidable distress and inconvenience its failings have caused him during the period under review as part of this complaint.

My final decision

For the reasons I've explained above, I uphold Mr D's complaint in part and direct Amtrust International Underwriters DAC to:

- Accept the January 2024 completion certificate as fulfilling the policy requirements for audit sign-off and allow Mr D to reinstate cover, subject to him paying the additional premium required under the policy terms.
- Pay Mr D £1,000 compensation for the avoidable distress and inconvenience its delays and poor service have caused him – if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 December 2025.

Adam Golding
Ombudsman