

The complaint

Mr D complains about delays in the handling of his income protection claim by AmTrust Speciality Limited.

What happened

Mr D holds a personal income protection policy underwritten by AmTrust. The policy is designed to provide cover in the event of accident, sickness and unemployment.

Mr D worked as an engineer for his employer which I will refer to as "A", since April 2024. In early January 2025, Mr D's employment was terminated by A.

In February 2025, Mr D made a claim against his income protection policy. He provided a letter from A which states the reasons for termination to have been gross misconduct. And advised he was in dispute with A about the reasons for the termination. AmTrust acknowledged receipt of the claim and asked Mr D to provide contact details for A so that it could discuss the circumstances of the end of his employment. AmTrust stated in this email that if it was unable to speak with anyone at A, it would base the claim decision on documents already submitted. And it stated that there was a policy exclusion in place for misconduct. This policy term is as follows:

"4.2.1 Unemployment exclusions

No benefit will be payable to you if: [...]

Your unemployment is the result of your own act, wilful misconduct, negligence, dishonesty or fraud..."

Mr D told AmTrust his termination was not based on facts and evidence. And he provided AmTrust with a copy of a letter he had sent to A refuting the allegations made against him and providing his own evidence of items such as messages, notes of expenses and screenshots from systems he used for work.

AmTrust said it contacted A for more information, including using contact details provided by Mr D, but it did not respond to the questions.

In March 2025, Mr D advised AmTrust over the phone that he was taking his former employer to a tribunal. As a result, AmTrust wrote to Mr D advising it would suspend the claim due to the lack of evidence and asked him to get back in touch to confirm the outcome of the tribunal claim.

Mr D complained. He said he had provided all the available evidence in support of his claim, and it was unfair to delay the claim because his employer had not responded. AmTrust said it wanted to progress the claim but needed to verify that it satisfied the policy terms around the circumstances of the unemployment. It noted it had previously advised Mr D that without further evidence, it would have to base the claim decision on the evidence it had, and

pointed to the policy exclusion around misconduct. And it again asked Mr D to get back in touch once he'd received the outcome of his tribunal claim.

Unhappy with the response, Mr D brought his complaint to this service.

In early September 2025 when an investigator was assigned, Mr D provided this service with an update. He said the subject matter of his employment tribunal case against A related to issues with pay and expenses. He said it was not related to unfair dismissal. So because of this, he says there is no reason for AmTrust to delay his claim for the outcome of the tribunal.

The investigator looked into what had happened and said they didn't think AmTrust had done anything wrong.

AmTrust made no comment on the investigator's view. However Mr D disagreed. In summary he said AmTrust had been aware for a long time that the tribunal claim related to pay and expenses only. And he thought AmTrust had failed to assess his evidence fairly, relying instead on the content of the dismissal letter. And he said the delays had caused him financial hardship.

So, the case 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.

And I've looked at the relevant rules and industry guidelines, which say AmTrust has a responsibility to handle claims promptly and fairly and shouldn't reject a claim unreasonably.

Firstly I should set out the scope of my review. AmTrust issued its final response to Mr D's complaint on 2 May 2025. So I can only assess the actions of AmTrust up until that date when considering this complaint. I'm aware that matters may have progressed since then and if Mr D wishes to make a complaint about actions or inactions by the insurer after 2 May 2025, he should first complain to AmTrust directly.

The terms of the policy cover for unemployment include the exclusion referenced above, which states benefit will not be paid where the unemployment is "*the result of your own act, wilful misconduct, negligence, dishonesty or fraud*". And so I don't think it unreasonable that when assessing a claim for unemployment, AmTrust would want to verify the reasons the policyholder has become unemployed. In Mr D's particular case, he provided a termination letter from his employer which stated his employment was ended due to gross misconduct related to several allegations. However Mr D strongly refutes the claims his employer has made as being false, so I think it's reasonable that AmTrust wanted to contact A.

Although Mr D has provided a letter he sent to his former employer disputing the termination, together with his own evidence, it's not the insurer's role here to resolve an employment dispute. The letter of termination refers to gross misconduct, and I don't think it unreasonable that AmTrust has placed significant weight on the content of that letter when assessing the reasons for Mr D's unemployment against the policy terms.

Mr D has explained both he and his representatives have had difficulty obtaining any responses from A. And equally I've seen that AmTrust has made attempts to contact A

which have gone unanswered. However I can't fairly hold AmTrust responsible for A's failure to respond, or direct it to pay the claim for this reason.

In March 2025, AmTrust advised Mr D that it would likely decline the claim based on the evidence that it had. Although it did not formally make this claims decision, and instead said it would suspend the claim pending the outcome of the employment tribunal Mr D was bringing against A. Mr D says this was unfair and has unnecessarily delayed his claim and caused him financial hardship. And he has later said the employment tribunal claim relates to matters around pay and expenses, and not the reasons for his dismissal. And he has said AmTrust was aware of this.

I note the investigator asked Mr D if he could provide any evidence of when he advised AmTrust that his employment claim for unfair dismissal was not going ahead, or that his claim related only to other issues of pay and expenses. Mr A said he made this clear to AmTrust in telephone calls, but said he was unable to provide evidence of this. The investigator also asked AmTrust for evidence of calls, and it provided one recording of a call which took place in March 2025.

I've reviewed the emails which have been supplied by both parties. These show no evidence that Mr D informed AmTrust his tribunal claim did not relate to unfair dismissal prior to 2 May 2025. And in the call recording from March 2025, Mr D advised AmTrust of his intention to make a tribunal claim against his former employer and referenced the allegations A had made when terminating his employment. So I'm satisfied based on what Mr D said during this call, that AmTrust reasonably believed the employment tribunal claim included the matter of unfair dismissal. And during that call there was no indication given by Mr D that the tribunal would relate to pay and expenses issues only, and not the matter of his dismissal.

I've also reviewed the document issued by the court summarising the hearing on 21 August 2025 – the full hearing was postponed to a later date. However this document confirms the court explained to Mr D that he did not have sufficient service with A to make a claim for "ordinary unfair dismissal" and so the court stated this was struck out. And a new hearing date was set for the remainder of the claim relating to pay and expenses issues. So this further persuades me that it's most likely Amtrust was not aware Mr D's tribunal claim would not cover the subject of unfair dismissal in May 2025, as this was not struck out by the court until August 2025. And I think the evidence reasonably shows that Mr D also thought he'd be able to bring an unfair dismissal claim to court up until that time.

Because of this, I'm satisfied it was not unfair for AmTrust to conclude that the claim should be held pending the outcome of the employment tribunal, as I think it reasonably expected this was to decide on the matter of unfair dismissal. I say this because if the tribunal found in Mr D's favour in respect of unfair dismissal, this would be significant evidence in support of his unemployment benefit claim.

I have great empathy for Mr D's difficult circumstances, and appreciate he will likely be disappointed with my decision. However I have found the actions taken by AmTrust to have been reasonable in the circumstances of this case, and so I can't fairly direct it to pay Mr D's claim.

I understand Amtrust has told Mr D it would await this service's decision before taking further action on the claim. So it remains open for Mr D to submit to Amtrust any further evidence he has in support of his claim at this stage. And once he has done so, or confirmed to Amtrust there is nothing further to submit, I would expect the insurer to complete its assessment of the claim and issue Mr D with its claims decision without any avoidable delay.

My final decision

For the reasons I've given, it's my final decision that I do not uphold this complaint and I make no award against AmTrust Speciality Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 January 2026.

Gemma Warner
Ombudsman