

The complaint

Mr and Mrs H complain about the settlement AmTrust Speciality Limited has offered for a claim they made on their buildings insurance policy.

Reference to Amtrust includes its agents and representatives.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mr and Mrs H took out buildings insurance, through C, an independent intermediary, in 2023. It renewed in 2024. It was underwritten by Amtrust.
- In 2025, Mr and Mrs H got in touch with Amtrust to make a claim on the policy for damage to their building. Amtrust accepted the claim. It said Mr and Mrs H had given inaccurate information when they took out the policy in relation to two points: the rebuild cost and the proportion of flat roof. As a result, Amtrust said it wouldn't pay the claim in full. And it would apply an additional excess to the claim.
- C got in touch with Mr and Mrs H to update the policy with an accurate rebuild cost and flat roof proportion, and charge the corresponding additional premium. This had no impact on the claim.
- Mr and Mrs H have made a separate complaint against C. They've also made this complaint against Amtrust. In summary, they said:
 - Amtrust accepted the rebuild costs given without carrying out a full assessment.
 - Similarly, Amtrust merely estimated the flat roof proportion.
 - It was unfair for the excess to apply, and the claim value to be reduced, despite paying the additional premium.
 - The policy documents were unclear about the excess value for the claim.
 - The claim had been subject to delays and poor handling. This meant the damage worsened and they had to live in their home whilst it was partially uninhabitable. This had a particularly negative impact on some members of the family.
- Amtrust responded in March 2025. It accepted there had been some initial delays and paid £100 compensation. It said it had acted fairly in relation to all other points.
- Our investigator thought Amtrust should pay an additional £100 compensation for delays and poor service. Other than that, she said Amtrust had acted fairly.

My provisional decision

I recently issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

- When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.
- The scope of this complaint is limited. I can only consider any activities Amtrust is responsible for. That includes the way it handled the claim, including the settlement it offered. And I will only consider matters up to and including the March 2025 complaint response. Mr and Mrs H are entitled to raise a further complaint with Amtrust about matters after that time.
- Anything C is responsible for can't be considered in this decision. It will be considered separately.
- There are a number of points for me to consider, so I'll take each in turn. I'll start by summarising what Amtrust was responsible for. I'll then go on to consider the two points which impacted the claim settlement – the rebuild cost and the proportion of flat roof. Finally, I'll consider the way the claim was handled.

What was Amtrust responsible for?

- The policy was sold by C, an independent intermediary. As a result, Amtrust isn't responsible for C, C's sales process, or C's documentation and communication.
- Amtrust is responsible for letting C know what information needs to be gathered from Mr and Mrs H in order to setup and renew the policy. Amtrust is entitled to take whatever information C has gathered at face value and then set the policy terms and premium accordingly. Amtrust isn't required to check or validate the information received – at the original sale or at the renewal.
- Amtrust is also responsible for handling the claim promptly and fairly. As part of that, if it considers Mr and Mrs H provided unreasonable information at the sale or renewal, it should act in line with the relevant law.
- That law is the Consumer Insurance (Disclosure and Representations) Act 2012 (or "CIDRA"). It places a duty on the consumer, in this case Mr and Mrs H, to 'take reasonable care not to make a misrepresentation'.
- In summary, if Mr and Mrs H fulfilled that duty, Amtrust can take no action. If Amtrust can show they didn't fulfil that duty, and Amtrust can show that it would have acted differently if they had fulfilled that duty, CIDRA sets out the remedies available to Amtrust. Depending on the circumstances, that can include voiding the policy and declining the claim, settling the claim proportionately, and/or retrospectively applying policy terms.
- Strictly, I don't think CIDRA applies to an estimate – only to matters of fact. Both the rebuild cost and flat roof proportions are estimates in my view. But I think it would be fair and reasonable for Amtrust to take into account the principles of CIDRA regardless. They are representative of longstanding good industry practice.

Rebuild cost

- To setup and renew the policy, Amtrust wanted to know how much it would cost to rebuild the property. Through C, Amtrust was initially told Mr and Mrs H had estimated the cost to be £100,000. At the 2024 renewal, the sum insured was automatically index linked to £101,700. Through C, Amtrust was told Mr and Mrs H hadn't asked to increase the sum insured any further.
- Amtrust's loss adjuster estimated the rebuild cost at the 2024 renewal was around £273,000 by using a reputable rebuild calculator.
- I haven't seen any evidence to challenge Amtrust's loss adjuster's estimate. It was based on the same reputable rebuild calculator that's publicly available to consumers to use. So I think this estimate is reflective of the kind of estimate Mr and Mrs H could reasonably have reached.
- Mr and Mrs H have said that when they first took out the policy, through C's sales process, an estimate of £190,000 was suggested – and they accepted it. They also said they would have known £100,000 was inadequate and wouldn't have proceeded with this figure if they had been aware of it. Similarly, they said they weren't aware the figure had increased at the 2024 renewal, and wouldn't have knowingly proceeded with this figure either. Lastly, they said they believed Amtrust would ensure the sum insured remained reasonable.
- How the policy was sold and renewed is a matter for C, so I won't consider it here. It's not Amtrust's responsibility to ensure the sum insured is reasonable. Amtrust was entitled to rely on whatever sum insured C told it Mr and Mrs H had estimated, both at the original sale and the renewal.
- Mr and Mrs H seem to accept the estimates of £100,000 and £101,700 were unreasonable. And it doesn't seem to be in dispute that £273,000 was a reasonable estimate in the circumstances.
- Amtrust has shown that if it had been told the rebuild cost was around £273,000 at the 2024 renewal, it would still have offered the policy – but at a higher premium. Instead of costing around £136, Amtrust said the policy would have cost around £366. That means Mr and Mrs H paid around 37% of the premium they should have done – so Amtrust offered to pay 37% of the claim value.
- Mr and Mrs H have questioned whether the higher figure is correct. They say they found an annual policy through C for around £236. But I haven't seen any evidence of this policy. So I don't know if this policy is like-for-like with the one I'm considering. Amongst other possible differences, I don't know if this policy is underwritten by Amtrust. So I simply can't compare the two based on the information available to me.
- They also say the additional payment they made indicated the policy would have cost less than £366. I've checked the figures, and I agree. So I raised this point with Amtrust. It accepts an error was made and the policy would have cost around £275. That means Mrs and Mrs H paid 49.5% of the premium they should have done. Amtrust has therefore agreed to settle the claim at 49.5%.
- In these circumstances, I'm not satisfied Mr and Mrs H answered this question reasonably. And I'm satisfied this had an impact on Amtrust.

- Amtrust has offered to settle the buildings claim proportionately – at the same proportion of the premium paid. That's in line with the remedy set out under CIDRA. As a result, I'm satisfied Amtrust has now acted fairly and reasonably on this point.
- Whilst Mr and Mrs C paid to increase the sum insured in line with the loss adjuster's estimate, that didn't impact the claim settlement. Again, that's in line with CIDRA. An additional payment for the remainder of the policy doesn't apply retrospectively to the earlier part of the policy – it applies only to future claims. Whereas the remedy available to Amtrust does apply retrospectively.
- At the time of the complaint response, the claim value hadn't been finalised – so nor had the proportionate settlement. As a result, I won't consider what the final claim payment should be. Only that it was fair and reasonable for Amtrust to say it would settle the claim proportionately. And that proportion should now be 49.5%.

Flat roof proportion

- To setup and renew the policy, Amtrust wanted to know what proportion of the roof area was flat. Through C, Amtrust was initially told Mr and Mrs H had estimated the proportion to be around 10%. That remained the same at the 2024 renewal.
- Amtrust's loss adjuster estimated the overall roof area and the flat roof area. They thought the flat roof proportion was around 35% of the overall roof area.
- I haven't seen any evidence to challenge Amtrust's loss adjuster's estimate. Nor have I seen any evidence to show why Mr and Mrs H thought around 10% was a reasonable estimate of the flat roof proportion. In these circumstances, I'm satisfied it was reasonable for Amtrust to rely on the loss adjuster's estimate.
- Amtrust has shown that if it had been told the flat roof proportion was around 35% at the 2024 renewal, it would have offered the policy, and at the same cost – but it would have added an extra policy term (known as an 'endorsement'). Relevant to this claim, that endorsement included a point which said an additional £250 excess would apply to any storm claim, where the damage was caused to the flat roof area.
- In these circumstances, I'm not satisfied Mr and Mrs H answered this question reasonably. And I'm satisfied that had an impact on Amtrust.
- Amtrust retrospectively applied the endorsement from the 2024 renewal. That's in line with the remedy set out under CIDRA. Amtrust applied the endorsement to this claim. As it was made after the 2024 renewal and was, in part, for a section of flat roof, I'm satisfied Amtrust has acted fairly and reasonably on this point.
- The policy schedule shows a general 'policy' excess of £200 – made up of a compulsory £100 and a voluntary £100. It shows other, higher excesses for particular claim types – accidental damage, escape of water, and subsidence. So I think it's clear that a claim for storm would attract the lower general 'policy' excess. Together with the additional £250 excess brought about by the endorsement, that makes a total excess for this claim of £450. I'm satisfied it was fair and reasonable for Amtrust to apply this excess to the claim.
- I know the endorsement isn't shown in the original 2024 renewal documents. But that's not unreasonable. At that point, Amtrust didn't know the endorsement would

apply, as it hadn't been given a reasonable answer about the flat roof proportion. Once it knew the reasonable answer, the policy was updated, and the endorsement is now shown. That's all in line with CIDRA.

- Whilst Mr and Mrs C paid to increase the flat roof proportion in line with the loss adjuster's estimate, that didn't impact the claim settlement. Again, that's in line with CIDRA. An additional payment for the remainder of the policy doesn't apply retrospectively to the earlier part of the policy – it applies only to future claims. Whereas the remedy available to Amtrust does apply retrospectively.

Claim handling

- Amtrust is required to handle claims promptly and fairly, and act fairly and reasonably at all times. Where it appoints agents and representatives, they must meet these same requirements.
- The claim began in late January. As noted above, my consideration of the claim will be limited to the time of the complaint response in late March. That means a period of around two months.
- Whilst I've read everything said by both parties and considered how the claim was handled in detail, I won't set out each and every claim event here. I'll summarise my findings about how the claim was handled within this two month period.
- Amtrust accepted there was an initial avoidable delay whilst it clarified the policy cover that applied to the claim. Around a week later, a loss adjuster visited, and the claim got underway. From that point onwards, I don't think there were any avoidable delays. I'll explain why.
- During the initial telephone call to setup the claim, Amtrust told Mr and Mrs H they could get a contractor to carry out temporary repairs to make things safe, they could begin obtaining repair quotes, and they could move to alternative accommodation ("AA"). At this time, Mr and Mrs H were unsure whether they needed AA. So I can understand why Amtrust didn't go so far as to make arrangements for them. Nonetheless, I think Amtrust was clear that AA cover was available to Mr and Mrs H.
- After the loss adjuster visited, Amtrust took time to consider how concerns about the rebuild cost and flat roof proportion would impact the claim. This was confirmed around a week later. The claim was accepted under the policy, subject to the proportionate settlement and increased excess noted above.
- Negotiations then began about how to settle the claim. Mr and Mrs H provided quotes and the loss adjuster made offers based on them. As is often the case, it took some time to get hold of sufficient quotes, to review them, and to agree settlement.
- After roof repairs were complete, the loss adjuster agreed to appoint a surveyor to consider the extent of internal repairs required. The surveyor visited shortly before the complaint response and, at that time, Amtrust agreed the loss adjuster would consider the surveyor's opinion and get back in touch with Mr and Mrs H about the claim settlement.
- In late February, Amtrust offered to arrange AA. When it couldn't find anything suitable, it told Mr and Mrs H they could arrange their own AA. I understand the weather improved, so Mr and Mrs H chose not to move out.

- Whilst Amtrust initially let Mr and Mrs H know AA was available, it doesn't seem to have reiterated this until around a month later. I haven't seen that Mr and Mrs H clearly asked about it before then, but their comments clearly indicated a concern about their living conditions. So I think Amtrust should have picked up on that and reminded them about the AA cover – particularly given their vulnerabilities.
- Had Amtrust done so, Mr and Mrs H may have moved out, and that would likely have improved their living conditions. Or they may not have moved out, but they would at least have known sooner that the option was available to them if needed. In either case, that would have lessened their distress and inconvenience.
- Mr and Mrs H have said that Amtrust ought to have identified them as vulnerable customers due to their health conditions and the stressful circumstances of the claim. Looking through the file, I can see Amtrust did this at times.
- For example, the first loss adjuster visit was arranged the same day as the policy information was clarified. I can see from internal email chains that the loss adjusters took steps to prioritise Mr and Mrs H due to the noted vulnerabilities. That meant they received a visit much sooner than they otherwise would have done.
- As noted above, those vulnerabilities should have meant AA cover was reiterated and offered sooner. But I don't think there were any other ways in which Amtrust ought to have handled things differently.
- Taking everything into account, I'm satisfied a total of £300 compensation is fair and reasonable for the avoidable distress and inconvenience it caused when handling the claim – within the scope of this complaint set out above. That includes the £100 Amtrust has already paid.
- Mr and Mrs H have said the damage worsened during the delay. And, as they have to pay toward the cost of repair, this has caused them a financial loss. Amtrust has accepted there was an avoidable delay of around a week. To find that Amtrust should pay in full for any additional damage caused during this week, I'd first have to be satisfied the additional damage would likely have been avoided without the delay.
- It would inevitably have taken time for the loss adjuster to visit and further time for a contractor to be arranged and for work to be carried out. I'm not persuaded it's likely that would have happened without the delay. I also note Amtrust said from the outset that Mr and Mrs H could arrange temporary repairs. So that option was open to them.
- Even if I thought those steps would have happened without the delay, and I set aside that Mr and Mrs H were told they could arrange temporary repairs, I'd also need to be satisfied any additional damage increased the cost of repair. And that additional cost would need to be identified. I haven't seen evidence of this. So, as it stands, for the reasons given above, I'm not satisfied it would be fair and reasonable to require Amtrust to pay anything further for this point.

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.

- Amtrust said it accepted my provisional decision.

- I don't think Mr and Mrs H accepted my provisional decision. They provided further comments and evidence, centred around two main matters. I'll take each in turn.
- Firstly, Mr and Mrs H queried the proportionate settlement in relation to one point. Amtrust said the policy would have cost around £275 with a reasonable rebuild cost. That meant Mrs and Mrs H paid 49.5% of the premium they should have done. Amtrust has therefore agreed to settle the claim at 49.5%.
- Mr and Mrs H said they'd found a policy, provided via C, for around £250 and shared evidence of it. So they questioned whether Amtrust was correct – and whether the proportionate settlement should be increased.
- Whilst I can see the quote is indeed for around £250, it's important to note that C sells policies for a number of insurers, not just Amtrust. And the evidence provided doesn't show the policy costing £250 is insured by Amtrust. So I'm not persuaded the quote shows Amtrust was incorrect. As a result, I'm satisfied 49.5% is the correct proportionate settlement.
- Secondly, Mr and Mrs H said the initial delay did increase the cost of repairs, because they paid for two sets of temporary repairs and the scope of repairs increased. It seems clear from photos they shared that the damage did increase during that initial delay. So I think it's likely the cost of repair increased too.
- As I said in my provisional decision, to find that Amtrust should pay in full for any additional damage caused during this week, I'd first have to be satisfied the additional damage would likely have been avoided without the delay.
- Amtrust has accepted there was an avoidable delay of around a week. So, to find in Mr and Mrs H's favour on this point, I'd have to be persuaded that without the week of delay, the repairs would have been completed before the damage could worsen.
- For the reasons I gave in my provisional decision, I don't think that's likely. It would inevitably have taken longer for external repairs to be completed, even without the delay. So the additional damage was unavoidable in the circumstances. As a result, I'm not satisfied it would be fair and reasonable to require Amtrust to pay anything further for this point.
- Overall, having considered Mr and Mrs H's response to my provisional decision, I haven't been persuaded to depart from my provisional findings. I remain satisfied they reach a fair and reasonable outcome for the reasons given.

My final decision

I uphold this complaint.

I require AmTrust Speciality Limited to:

- Settle the buildings claim proportionately at 49.5% of its value. Remaining policy terms and limits still apply.
- Pay a total of £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 30 October 2025.

James Neville
Ombudsman