

The complaint

Mr M's complained about the way AmTrust Specialty Limited dealt with the claim he made after his house suffered storm damage.

What happened

In late summer 2024, Mr M reports that his house suffered damage following a storm, which allowed water to enter. So he made a claim on his AmTrust insurance policy. AmTrust investigated the claim. After about five months, they declined it, because they said weather conditions on the day Mr M said the damage occurred didn't meet the policy definition of a storm. And they noted that their surveyor had concluded his property was significantly underinsured.

Mr M complained about AmTrust's conclusions and provided evidence that a storm had occurred. And he complained about how long it had taken them to reach their decision. In response, AmTrust said they'd reassess the claim under the storm cover provided by the policy. And they accepted there had been delays and a lack of communication for which they paid Mr M £350 compensation.

Mr M wasn't satisfied this resolved his complaint and brought it to the Financial Ombudsman Service. He told us he wanted the cost of repairs to his roof covered in full. Our investigator considered the information provided by both parties and concluded it had been fair for AmTrust to decide Mr M's home was underinsured – so they only needed to pay a proportion of any costs of the claim. But he didn't think that they'd paid enough compensation for the delays and miscommunications and said they should pay an additional £350 – bringing the complaint to a total of £700.

Mr M didn't agree with our investigator's view. AmTrust didn't respond. So the matter's been passed to me to make 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.

Having done that, I'm upholding the complaint, to the same extent as our investigator did. I'll explain why.

As I said above, only Mr M responded to the investigator's view. And he's commented only on the underinsurance aspect. So that's what I've focused on in my decision.

AmTrust says Mr M underinsured his property because his application stated the buildings sum assured – which the application says should be the full cost of reconstruction and all fees – to be £279,000. On inspection, their surveyor calculated this would actually cost £560,000.

As Mr M's premium was calculated based on his figure, this meant he'd only paid 49.82% of the premium AmTrust would have charged if the rebuild cost had been accurate. So they

said they'd only pay 49.82% of the costs of the damage they assessed had been caused by the storm. This is in line with the policy terms, which confirm the premium is calculated using the declared rebuild cost and go on to say:

"Proportionate Remedy"

We can proportionately reduce the sum paid out on a claim, where You have breached Your duty of fair presentation of the risk, but Your breach was neither deliberate or reckless, and We would have still entered into the Policy, but charged a higher premium".

Mr M bought his policy through a comparison website. He says he didn't enter a rebuild cost manually, but relied on what was automatically filled by the website, because he wouldn't know how to calculate that amount. I've thought about whether this is reasonable in light of the available evidence.

I agree that, as a consumer, Mr M couldn't be expected to know how much it would cost to reinstate his home. So I've considered what question he was asked, and what guidance he was given about how to answer it.

The comparison site Mr M used asked the question:

"How much would it cost to rebuild your home today?"

Following a request from AmTrust, the site confirmed their records offered three values, which are based on the Building Cost Information Service's (BCIS) calculator:

"Minimum rebuild cost: £287,000

Estimated rebuild cost: £900,000

Maximum rebuild cost: £1,215,000"

It provided options to use either the estimated rebuild cost or to input a different amount. And there were links a customer could click on which explained what tools they could use to provide an accurate figure.

I'm satisfied from this that Mr M must have manually entered the rebuild figure – if he hadn't, the rebuild cost recorded would have been £900,000. And the figure that was inputted is lower than even the minimum cost quoted. So I can't say Mr M's answer to that question was reasonable.

By contrast, AmTrust have shown their surveyor used the BCIS calculator when he assessed the rebuild costs at £560,000. So I think it's reasonable for any settlement they pay to be proportionate.

Putting things right

AmTrust have said that, had they known the rebuild cost would be around £560,000, they would have charged Mr M a premium of £271.93. Instead, based on the information Mr M provided, they charged a premium of £135.48. That means they've only received 49.82% of what should have been paid – so any settlement they pay should represent 49.82% of the total value of the claim. I've explained above I think that's fair.

I agree with our investigator – and AmTrust accept – that there were avoidable delays in assessing Mr M's claim. Our investigator said AmTrust should pay a total of £700 compensation for this – of which Mr M has already received £350. Neither party has

commented on that recommendation – so I've nothing to persuade me that's not the amount I should award Mr M.

My final decision

For the reasons I've explained, I'm upholding Mr M's complaint about AmTrust Specialty Limited and directing AmTrust to pay Mr M £350 compensation, in addition to the £350 they've already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2026.

Helen Stacey
Ombudsman