

The complaint

Mr and Mrs M complain that AmTrust Specialty Limited unfairly declined a claim under their motor legal expenses insurance policy.

Where I refer to AmTrust, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

- In 2023, Mr and Mrs M entered into a contract with a third party – who I'll refer to as 'H' – to carry out an MOT on their car.
- Ten days after the MOT was completed, whilst the car was left unsecured in H's car park, an attempted theft took place causing damage.
- H initially said they would fix the damage free of charge, but when they didn't fulfil this promise, Mr and Mrs M made a claim on their motor legal expenses insurance policy in December 2024.
- The claim was referred to AmTrust's panel solicitors who have delegated authority to manage the legal helpline and handle claims. But after two months, Mr and Mrs M were advised that their claim had been misrouted, and it should've been referred to AmTrust's claims handlers.
- In February 2025, after being referred to the correct business, Mr and Mrs M were informed their claim was declined on the basis of a policy exclusion for claims relating to an agreement entered into.
- Mr and Mrs M didn't agree. They raised a complaint which they brought to our Service.
- Our Investigator was satisfied AmTrust had declined the claim in line with the policy terms and hadn't treated Mr and Mrs M unfairly. But she didn't think the customer service provided by the panel solicitors, under AmTrust's delegated authority, was to a reasonable standard. She recommended it pay £100 compensation for the distress and inconvenience caused.
- AmTrust accepted this outcome, but Mr and Mrs M didn't. They were concerned the exclusion would mean no claim related to garage negligence would be covered and they didn't think the compensation recommended addressed the core issue in dispute.

As Mr and Mrs M didn't agree with our Investigator, the complaint 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.

Having done so, I've reached the same outcome as our Investigator, and for broadly the same reasons. Before I explain why, I wish to acknowledge the parties' submissions in respect of this complaint. Whilst I've read them all, I won't comment in detail on every single point that has been made. Instead, I'll focus on the key points that are relevant to the outcome I've reached. That's in line with our remit, which is to resolve complaints promptly and with minimal formality.

Mr and Mrs M's motor legal expenses insurance policy says:

"What is insured:

You are covered for Advisers' Costs to pursue damages claims arising from a Road Traffic Accident:

- i. whilst You are in, boarding or alighting the Vehicle against those whose negligence has caused Your injury or death, and/or*
- ii. against those whose negligence has caused You to suffer loss of Your insurance policy excess or other out of pocket expenses."*

"What is not insured:

Claims...relating to an agreement You have entered into with another person or organisation."

It's accepted by AmTrust that the circumstances of Mr and Mrs M's claim is an insured event under "what is insured" and the policy's definition of "road traffic accident". So, I won't comment on that. AmTrust seek to rely on the policy exclusion quoted above, and I've thought about whether this applies.

Mr and Mrs M's car was in the custody of H due to an agreement entered into to carry out an MOT. They informed AmTrust they wanted to pursue H for its negligence. So, I'm satisfied the claim relates to the agreement entered into with H. As such, I don't think AmTrust acted unfairly in declining the claim.

I appreciate Mr and Mrs M are concerned that this policy wouldn't cover any claims for a garage's negligence. It's not for me to comment on what hypothetical claims could be covered by the policy, but it's clear the intention of the policy is to cover personal injury and uninsured losses arising from a road traffic accident; and not contract disputes.

I agree with our Investigator that the customer service provided by the panel solicitors when handling the claim wasn't to the standard Mr and Mrs M could reasonably expect. This has caused a delay in the claims progression, and I've no doubt Mr and Mrs M would've experienced some distress and inconvenience as a result. I'm satisfied £100 compensation fairly reflects the impact here.

My final decision

For the reasons I've explained, I uphold this complaint and direct AmTrust Specialty Limited to pay Mr and Mrs M compensation of £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 11 March 2026.

Sheryl Sibley
Ombudsman