

The complaint

Ms R and Mr R complain about the way AmTrust Specialty Limited ('AmTrust') handled an escape of water claim they made on their property insurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again in detail here. Instead, I'll provide an overview and then focus on giving the reasons for my decision.

Ms R and Mr R held a landlord insurance policy underwritten by AmTrust covering a rental property. They raised an escape of water claim January 2024 and said water ingress had caused damage to a bathroom floor and surrounding areas. They said the condition of the bathroom made it unsafe and uninhabitable for their tenants.

AmTrust arranged an inspection and accepted there was water damage, but it said further intrusive investigation would be needed to establish the full extent and cause of the damage. There were then discussions between Ms R and Mr R and AmTrust about the scope of investigation works and settlement. Works were later undertaken to remove parts of the bathroom floor and fittings in order to identify the source and cause of the damage.

Ms R and Mr R went on to raise a series of complaints with AmTrust about its handling of the claim. They said AmTrust had failed to carry out a proper investigation and that AmTrust had not provided them with a copy of the policy wording when requested. They also complained that AmTrust had refused to cover the cost of the investigation works or for loss of rent and they raised concerns about reasonable adjustments not being offered when communicating with Mr R.

AmTrust issued final responses to the complaints in August 2024, November 2024, and January 2025, respectively. They did not uphold the substantive elements of the complaints and maintained that investigation costs incurred were not covered under the policy and a loss of rent was not payable in the circumstances. But AmTrust did award £100 compensation within their final response letter from November 2024 in relation to delays in responding to correspondence in good time.

Ms R and Mr R later submitted a further complaint in March 2025 but AmTrust did not provide a formal final response to that complaint and instructed Ms R and Mr R to approach this Service if they remained unhappy. They then brought their complaint to this Service shortly afterwards.

An Investigator looked at what had happened and ultimately recommended the complaint should be upheld in part. The Investigator did not think the policy provided cover for the investigation works to establish the cause of the damage and felt it was fair for AmTrust to rely on the policy's terms when declining those costs. The Investigator also concluded loss of rent was not payable under the policy's terms and that AmTrust's overall position on policy cover was not unfair or unreasonable. But the Investigator did identify some service

shortcomings in claim handling, including aspects of communication and delays and felt that AmTrust should pay a sum of £400 compensation.

Ms R and Mr R did not agree with the Investigator's conclusions. They provided several detailed responses, the main points of which were that:

- The complaint was continuous and the January 2025 should not act as a strict cut off.
- Later correspondence from 2025 and 2026 should be considered as evidence which contextualized earlier conduct issues.
- AmTrust had refused to provide a final response to the March 2025 complaint.
- The Investigator had incorrectly excluded post-January 2025 evidence that was relevant to whether an investigation into settlement actually took place in 2024.
- AmTrust had unfairly withheld the policy wording which meant they were unable to assess or respond to settlement offers.
- They maintained Amtrust had failed to conduct a fair and reasonable investigation.
- They maintained intrusive works were investigative, not routine maintenance.
- Deterioration of the bathroom resulted from AmTrust's delays in handling the claim.
- As such, a loss of rent had occurred as the property was unsafe and uninhabitable for their tenants.
- They raised concerns over reasonable adjustments under the Equality Act 2010 not being fairly applied.
- They maintained that AmTrust had unfairly handled the claim and caused prolonged distress and serious inconvenience.
- Ms R and Mr R asked for the maximum award this Service can make as compensation for what they described as systemic handling failures.

Ms R and Mr R asked for an Ombudsman to consider the complaint – so, it's 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.

I should explain from the start that I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Ms R and Mr R have submitted several detailed and lengthy submissions about this complaint, and while I have considered them all in their entirety, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion overall. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. I should also explain that many of the points Ms R and Mr R have raised are being considered as part of a separate service complain; but my role is not to consider those aspects of the complaint, and so I will only be looking at the core issues between AmTrust and Ms R and Mr R.

Finally, I also need to explain what period I will be considering as part of my decision. Ms R and Mr R have previously brought a complaint to this Service that considered events up to June 2024. And the Investigator has previously explained that issues responded to in AmTrust's final response from August 2024 couldn't be considered as that complaint hadn't been brought to this Service within six months. So, the Investigator explained they would only be considering the period between August 2024 and January 2025.

I appreciate Ms R and Ms R have submitted that this is one continuous complaint, and that previous final responses did not "trigger" the six-month time limit in order to bring a complaint

to this Service. They submit that a fair and reasonable approach would be to consider the entirety of the complaint. Under DISP 2.8.2R, a complaint must be brought to this Service within six months of a business issuing a final response. Where separate final responses are issued about different aspects of a claim, each final response can trigger its own time limit. The fact that matters arise from the same set of underlying facts does not mean that time limits do not apply.

I can see AmTrust did issue final responses in August 2024 and November 2024, and then another in January 2025. But the August 2024 complaint was not brought to this Service within six months. DISP 2.8.2R(3) says the time limit can be waived if I consider there to have been exceptional circumstances for the delay in Ms R and Mr R referring the complaint to this Service. And DISP 2.8.4 further provides an example of exceptional circumstances as where the complainant has been, or is, incapacitated. So, I consider this to be a high bar when determining if exceptional circumstances apply in this case.

I haven't seen any specific evidence raised which demonstrates that the August 2024 complaint wasn't brought to this Service due to exceptional circumstances. The evidence I've seen as part of the claim history shows that Ms R and Mr R were actively corresponding with AmTrust and pursuing their concerns during this period. And choosing to continue discussions with AmTrust, rather than referring matters to this Service to consider, does not in itself amount to an exceptional circumstance under the relevant rules.

Therefore, having considered the available evidence very carefully, I'm not persuaded I can apply the exceptional circumstances rules here. And that means I won't be revisiting any points that previous complaint covered and instead I will be considering the main points raised as part of the complaint AmTrust responded to in January 2025. However, I'm also aware Ms R and Mr R are dissatisfied about their complaint from March 2025 not being responded to, and I can see AmTrust provided an email which said they should approach this Service if they remained unhappy.

I've carefully considered the complaint submission from March 2025, and I am ultimately satisfied that it did not raise any new or distinct complaint issues. Instead, it appears to have reiterated previously raised concerns or expanded on issues already addressed in the previous final response issued by AmTrust. As such, I'm therefore satisfied the operative final response for jurisdictional purposes remains the one issued in January 2025. However, I should also make it clear that while I am only able to make a finding in this decision between a set period, where later correspondence or events provide context on the way AmTrust handled earlier matters, I can take that into account as evidence. But I cannot determine any *new* complaint issues that occurred after Amtrust's final response in January 2025, until such time that they have been raised to Amtrust and it either raises a new final response, or more than eight weeks pass in order to bring those new concerns to this Service.

As such, my decision here will focus on the issues I am satisfied I am able to determine; which is the coverage under the policy, loss of rent payments, claim handling, and reasonable adjustments under the Equality Act. I've referred to each of these points in turn below as part of my findings, for ease of reference.

Investigation cost coverage

The starting point of this complaint is to determine whether AmTrust acted unfairly in declining to cover the costs of the investigation works carried out to Ms R and Mr R's bathroom. Ms R and Mr R say the works, which included the removal of parts of the bathroom floor and fittings, were investigative in nature and were necessary to establish the

source and extent of the water damage. They say these were not routine maintenance works and they say AmTrust initially approved the investigation but later changed its position which they consider to be unfair.

But AmTrust says the policy does not provide cover for the costs of establishing the cause of damage beyond any limited trace and access provision and that the works undertaken went beyond locating a leak.

I've considered the relevant policy terms, and I can see they cover insured damage caused by an escape of water. The claim itself is not disputed and AmTrust agreed to cover the damage that fell within the scope of cover. However, I'm satisfied the terms do not provide open-ended cover for exploratory or investigative works undertaken to determine the full extent of damage or to assess settlement positions. Ultimately, the purpose of this type of insurance is to indemnify Mr R and Ms R for insured damage; not to fund all investigative activity associated with a claim. And I'm not persuaded the terms go beyond locating the source of the leak into wider investigative or precautionary works.

I can see Ms R and Mr R say AmTrust initially approved the investigation and later withdrew that approval. I appreciate Mr R and Ms R refer to this as a "binding admission" so I've considered the available evidence of the claim history carefully, but I'm not persuaded that there was a clear and unconditional admission that the full scope of intrusive works would be covered under the policy's terms. I'm satisfied AmTrust were entitled to review the scope of works and request clarification where needed before settling the claim. And ultimately, I find it fair and reasonable for AmTrust to rely on the policy terms when determining that the investigation costs were not covered.

Loss of rent

One of Ms R and Mr R's main complaint points is in relation to financial losses. They say the property was uninhabitable and that they have suffered a loss of rent as a result. They also seek costs for future tenants' costs including advertising and referencing.

The Investigator previously explained that AmTrust had not considered whether a loss of rent was a valid head of loss. I can see the policy terms do provide cover for a loss of rent in the event the property is damaged during the period of insurance and as a result a tenant is unable to occupy the property. But AmTrust does not appear to have fully considered this aspect of the complaint. I should make it clear that my role is not to substitute my own decision for AmTrust's. And I have also not been provided with any evidence from Ms R and Mr R to demonstrate the policy conditions for a loss of rent claim have been met. And this means I am unable to direct a loss of rent payment if AmTrust has not formally considered and responded to this aspect of the claim.

I therefore direct AmTrust now consider whether loss of rent is payable in line with the terms and conditions of the policy. However, I should also make it clear that I am not directing AmTrust on how to settle the claim itself or to require them to add 8% interest to any claims settlement that might be paid at a later date. This is because my decision focuses on the loss of rent submission that I find they should reconsider; it is not a finding that they should pay a claim at this point. Therefore, an award of interest would be premature and inappropriate at this stage.

Reasonable adjustments

I've also thought carefully about Ms R and Mr R's submissions that AmTrust should have made adjustments for Mr R's disability and Ms R's ongoing illness under the Equality Act 2010 ('the Act'). Specifically, Ms R and Mr R have submitted that Mr R was the primary contact for the claim and subsequent complaints, and AmTrust's handling of

communications with him caused him additional inconvenience and forced time away from work.

Mr R has explained he is blind and the impact this has caused. And where a policyholder has such a disability, AmTrust should not directly or indirectly discriminate against him on the grounds of his disability, and it should not treat him less favourably. While I appreciate Ms R and Mr R's strength of feeling on how this Service should consider this aspect of the complaint, I need to make it clear that my role here isn't for me to make a legal finding about whether AmTrust have breached the Act. That would be for a court to decide, should Ms R and Mr R wish to pursue the point. But I have taken the Act into account, as the rules of this Service require me to take into account relevant law and regulations, regulators' rules guidance and standards, and codes of practice when deciding what I consider to be fair and reasonable in all the circumstances.

In order to decide whether AmTrust have acted fairly and reasonably towards Mr R, I've thought about AmTrust's responsibilities when dealing with vulnerable customers. The Financial Conduct Authority ('FCA') previously issued guidance for firms on the fair treatment of vulnerable customers, which says AmTrust should make reasonable adjustments where appropriate to allow a policyholder to access the service provided without disadvantage. This might include tailoring the service they provide to a policyholder's needs.

I appreciate the submission is that Mr R was the primary contact for the claim and complaint processes. But from looking at the previous correspondence between the parties, I can see the majority of emails were signed off as either "The Policyholders" or "Mr and Ms R". AmTrust also confirmed that the contact information they were initially provided was for Ms R, and they later requested Mr R's contact information if he wanted to be contacted directly, and then requested further information on what alternative formats they could provide information in.

I ultimately do not find it unfair how AmTrust communicated with Ms R and Mr R and I think they followed normal procedures in a claim process and requested further information on how they could accommodate Mr R's specific needs once these were raised. And I'm satisfied AmTrust did not treat Mr R less favourably because of his disability and took reasonable steps, once his circumstances were made clear, to understand how best to communicate with him.

Claim handling

Ms R and Mr R say AmTrust handled the claim poorly overall, delayed matters, failed to address their concerns adequately, and caused significant stress and inconvenience. They say there was a pattern of deflection avoidance and that their complaint was not properly reviewed and requested this Service's maximum statutory award of £415,000 as compensation for what they describe as serious distress and inconvenience, as well as serious disruption to daily life

I've carefully considered the correspondence exchanged during the claim, for the period I can consider, but I don't agree that the evidence demonstrates deliberate obstruction or systemic mishandling of the claim. Ultimately, I'm satisfied AmTrust were entitled to validate the claim, request clarification where the estimates provided appeared to go beyond policy cover, and review the scope of the claim before agreeing a settlement. Given the dispute focused on whether investigative works fell in the policy's cover, I do not find it unreasonable that AmTrust sought clarification and ultimately relied on the policy terms when declining those costs.

However, I do consider that there were shortcomings in the way certain aspects of the claim were handled, in particular; the issue of loss of rent not being substantively responded to in the January 2025 final response, communication lacking clarity at times, particularly where multiple complaints points were being progressed, and AmTrust's failure to provide a full copy of the relevant policy wording earlier. I accept that these issues would reasonably have caused Ms R and Mr R additional inconvenience and distress, particularly given the ongoing nature of the dispute and the financial uncertainty they say they were experiencing.

So, I'm satisfied that an award of compensation is appropriate here. But I need to make it clear on what basis compensation is awarded for service failures, given Ms R and Mr R's request for a global sum of £415,000, which is the maximum sum this Service can award for complaints raised to us on or after 1 April 2023 about acts or omissions by firms on or after 1 April 2019. But that statutory limit is not a benchmark for distress and inconvenience. In terms of making a compensation award, this Service doesn't punish or fine a business. A compensation award is intended to reflect the demonstrated impact a business's actions had on their customer, and we have published guidelines which outline the compensation levels we might award in similar circumstances. I can also see the Investigator previously felt a sum of £400 was fair and reasonable in the circumstances. So, I need to decide whether that's enough compensation to put things right.

I've therefore weighed up Ms R and Mr R's testimony, the available evidence, and the duration of the process overall. I've also considered whether I'm satisfied there is a clear causal link between AmTrust's service and the additional impact Ms R describes – because she's said she experienced a considerable amount of distress and inconvenience because of this complaint. I was sorry to hear about her pre-existing medical issues which she says were exacerbated due to AmTrust's handling of the claim. But having considered what happened carefully, I do not find the AmTrust handling caused financial loss on the scale alleged, nor have I found evidence of exceptional or egregious conduct that would justify an award that Ms R and Mr R has outlined.

While I acknowledge that AmTrust did not initially provide a copy of the policy wording, I don't agree that the failure to do so amounts to a substantive service failure, and I haven't seen evidence that this caused Ms R and Mr R a distinct or long term financial loss. While I agree that delaying providing documentation initially would have understandably added to frustration at the time, it doesn't justify a separate financial award given there was no cover in any event. And I'm satisfied this failing is appropriately included within the overall compensation I'm going to award for distress and inconvenience.

Overall, I think the sum of £400 is fair and reasonable in the circumstances. I recognise this is not the level of compensation Ms R and Mr R had hoped for, and it may not ultimately change matters for them, given their larger concerns over how they feel AmTrust dealt with the claim. But I'm satisfied the sum I have outlined is in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

I appreciate this claim has been a lengthy and frustrating matter for Ms R and Mr R and I do appreciate their strength of feeling expressed in their submissions that this complaint represents systemic failings from AmTrust in how they handled the underlying claim. I've carefully considered the entirety of their submissions; however, for the reasons I have set out above, I'm overall satisfied that AmTrust's substantive position on cover under the policy was not unfair or unreasonable. And while I recognise there were instances of shortcomings in aspects of claim handling, I consider the £400 compensation I have set out to be fair and proportionate in the circumstances.

My final decision

For the reasons I have set out, my final decision is that I uphold this complaint in part. I direct AmTrust Specialty Limited to:

- Reconsider the loss of rent claim in line with the policy's terms; and
- Pay Ms R and Mr R £400 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Ms R to accept or reject my decision before 24 March 2026.

Stephen Howard
Ombudsman