

The complaint

Mr M is unhappy with the way AmTrust Specialty Limited handled a claim under his commercial property insurance policy.

What happened

Mr M owns a residential property which he lets out. His agent made a claim to AmTrust after a loss of electrical power at the property. AmTrust sent an electrician who isolated a cable in the kitchen to restore power. It turned out that the electrician had disconnected power to a saniflo toilet in an adjoining room. This type of toilet needs electrical power to operate. The toilet system flooded a few days later and required a full replacement.

Mr M complained to AmTrust. He thought its electrician should have checked the purpose of the cable before disconnecting it. He wanted AmTrust to reimburse him for the cost of replacing the saniflo system and repairing the damage caused by the flood.

AmTrust didn't agree. It said the saniflo system itself might have been faulty as opposed to the cable leading to it. It didn't accept responsibility for any of Mr M's costs.

Mr M referred his complaint to this Service. Our Investigator recommended that AmTrust should reimburse Mr M for the reasonable costs of repairing the damage caused by the flood, including the cost of a plumber.

Mr M didn't think our Investigator's findings had gone far enough. He didn't agree that the original saniflo system had been defective. He thought the cable or fuse spur were probably the cause of the fault. He also said AmTrust's electrician should have diagnosed the source of the fault rather than just restoring power. He thought the saniflo system had only been found to be faulty because it had been used for several days after its power supply had been disconnected. He thought that had damaged it.

After receiving our Investigator's view AmTrust agreed to pay for the internal redecoration costs and the cost of Mr M's plumber. But it still maintained it wouldn't be reasonable for it to have to pay to replace the saniflo system as it didn't accept that its electrician had damaged it.

As the parties didn't agree, the matter has been referred to me.

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.

At the heart of this complaint is a disagreement as to whether AmTrust's contractor caused damage to the saniflo system when it disconnected the cable in the kitchen leading to it. I can't be certain what happened. So I have to base my decision on the balance of probabilities.

Mr M's plumber reported that he'd replaced the saniflo system which had been "*damaged as a result of loss of power/flood*".

On the other hand AmTrust's contractor reported that the saniflo system was faulty when they visited the property five days after the cable had been disconnected.

Mr M says that by that time the tenants had been using the saniflo for several days without knowing that the power to it had been disconnected. I understand that although the toilet was in a locked bathroom near the kitchen, the kitchen sink is also connected to the saniflo system to drain away waste water. His plumber thought that had caused the flooding and water to enter the saniflo's electric system.

An electrician called out to restore power to the new saniflo system reconnected the original supply which was said to be "*working fine. No fault found*". That suggests to me that it is more likely than not that the old saniflo system was faulty before the loss of power to it and that caused the electric system to switch itself off. So I'm not satisfied that AmTrust is responsible for the failure of the saniflo system.

I agree with our Investigator that AmTrust should meet the reasonable costs of repairing the flood damage and Mr M's plumber's costs together with simple interest of 8%. That's because Amtrust's electrician disconnected the electric supply to the saniflo system without checking what the supply was used for and so it should be responsible for the resultant damage other than the cost of replacing the saniflo system itself for the reasons explained above.

Putting things right

To put things right I think Amtrust should meet the reasonable costs of repairing the flood damage and Mr M's plumber's costs (subject to satisfactory evidence of the same) other than the cost of replacing the saniflo system together with simple interest at 8% from the date Mr M paid such costs to the date of settlement.

My final decision

I uphold this complaint and require AmTrust Specialty Limited to put things right as set out above.

If AmTrust Specialty Limited thinks it's required by HM Revenue & Customs to deduct income tax from any interest due to Mr M, it should tell him how much it's deducted and give him a certificate showing this if he asks for one so that he can reclaim the tax if appropriate.

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

Elizabeth Grant
Ombudsman