

The complaint

Mr and Mrs O have complained about Amtrust Europe Limited's handling and settlement of a claim they made under their Premier Guarantee New Home Warranty.

What happened

The subject of this complaint is a building comprised of multiple flats. Damage has been caused to the common parts of the building, which means other leaseholders have been affected, in addition to Mr and Mrs O. However, this complaint has been brought by Mr and Mrs O only, and so focuses only on what they are entitled to under their individual warranty.

There has been extensive background to this complaint which I don't intend to repeat in full here. Instead, I'll summarise the key issues, which form part of this specific complaint, which I need to decide. This isn't meant as a discourtesy to either party, rather it reflects the informal nature of our service and my role within it.

Mr and Mrs O have raised concerns about their entire claim journey with Amtrust, since 2017. But I've issued a separate jurisdiction decision explaining which elements of their complaint are within my power to consider and which are not. So, I'll not revisit that here. Instead, this decision will only focus on the issues which I've decided, in that separate jurisdiction decision, are within my power to consider as part of this complaint. They are the issues covered and answered in the final response letter dated March 2023.

Mr and Mrs O have complained about an incident of water ingress to their property in October 2022, following previous repairs undertaken by Amtrust as part of their claim in 2017. They're unhappy with the quality of the previous repairs, and the level of service they've received when reporting this latest incident of water ingress.

Amtrust accepts that there appear to be issues with the previous remedial works. It has appointed a new loss adjuster to investigate this and provide an independent opinion. Amtrust says following the investigations it intends to put things right, both internally and externally, and to cover the costs of interim repairs carried out by Mr and Mrs O. In its final response letter, Amtrust set out that it needed information from Mr and Mrs O in order to progress those investigations, which to that date had not been received. Amtrust also accepted there had been further instances of delays and communication issues since the last final response letter. It apologised and offered £300 compensation to put things right.

Our investigator considered the complaint but didn't think it should be upheld. She said Amtrust's offer of compensation, for the post October 2021 issues, was fair and reasonable. And she said she couldn't provide a finding on the quality of the previous repairs under this complaint, as we'd need to know the conclusions of the investigations by the new loss adjuster. However, she said Mr and Mrs O could raise a new complaint about this, once that information was available, should they remain unhappy.

Mr and Mrs O didn't accept our investigator's opinion. So, 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, and while I appreciate it will come as a disappointment to Mr and Mrs O, I agree with our investigator's conclusions. I'll explain why.

Firstly, it's important to reiterate that the only issues I'm considering as part of this complaint are those covered in the final response letter of March 2023. The relevant parts of this final response letter are the quality of Amtrust's previous remedial works, and the unreasonable delay in them being investigated once reported.

The March 2023 final response letter also addressed a further incident of water ingress through a skylight. However, Mr and Mrs O have pointed out that this isn't relevant to their flat or complaint.

Amtrust has already accepted that the quality of its previous remedial works was likely inadequate, based on a report provided by Mr and Mrs O (or their building management company). But it says the level of inadequacy needed to be investigated before it could be put right – which doesn't seem unreasonable. Amtrust also confirmed its intention to carry out an effective and lasting repair to the damage, and to the defect which caused it, following the conclusion of its investigations. It also said it would consider covering the cost of any temporary repairs carried out by Mr and Mrs O, subject to evidence of these.

I think the above offer from Amtrust is in line with its obligations under the contract of insurance and is what I'd expect it to do. So, I consider that the suggested course of action, at the time of this complaint, was a fair and reasonable way to move forward.

Should Mr and Mrs O be unhappy with the conclusion of those investigations, or any of the follow up remedial offers or works, they should raise a new complaint with Amtrust, which they'll be able to refer to our service – subject to our normal rules – should they remain unhappy with its final response to their complaint.

Amtrust has also accepted that more could have been done by the old loss adjuster to arrange and commence investigations into the October 2022 ingress of water, when it was first reported. Amtrust explained it has now appointed a new loss adjuster to take over investigations and oversee the claim moving forward.

Whether the delays were caused by Amtrust's old loss adjuster, or Amtrust itself are irrelevant. As far as the contract of insurance is concerned, they are one and the same. So, any delays or issues caused by Amtrust's loss adjuster are still the responsibility of Amtrust to put right.

I'm pleased to see that Amtrust accepts this. It has acknowledged the impact these errors and delays will have had on Mr and Mrs O and has made an offer of £300 compensation to reflect this. And based on everything I've seen I think this offer is fair and reasonable in the circumstances.

I say this because this compensation is to recognise the delays and communication issues since the October 2021 final response letter, and particularly the issues around the October 2022 ingress of water. It is not intended to compensate for issues experienced throughout the entire claim journey.

While I fully accept the initial lack of communication or investigation into the latest water ingress would have been both distressing and inconvenient for Mr and Mrs O, I'm mindful that the majority of the impact of these issues would have been felt by their tenant, rather than them directly. And I'm not able to make an award for compensation based on the impact to the tenants as they aren't the policyholders.

In addition, I can see that at least part of the delay in arranging investigations into the water ingress was due to Amtrust not being provided with the information it requested in January 2023. So, it wouldn't be reasonable to hold Amtrust responsible for the full period of delay.

Ultimately, I think the £300 compensation, as well as the offer of further investigations, subsequent repairs and reimbursement of temporary repair costs, is sufficient to fairly resolve this particular complaint.

My final decision

Amtrust Europe Limited has already made an offer to pay £300 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Amtrust Europe Limited should pay £300 – if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs O to accept or reject my decision before 10 November 2023.

Adam Golding
Ombudsman