

## **The complaint**

Ms R complains about the way Amtrust Europe Limited has settled a claim she made on an income protection insurance policy.

## **What happened**

In July 2022, Ms R amended her existing personal income protection insurance policy to include a 30-day excess period. Previously, her policy had had no excess period. The amendment to the policy meant that in the event of a successful claim, benefit would only become payable after the first 30 days of absence.

Unfortunately, Ms R suffered an injury and was unable to work. She got in touch with Amtrust to make a claim and it seems she confirmed that she understood she had a 30-day excess period. However, Amtrust later wrongly told Ms R on two occasions – in writing and over the phone - that she didn't have an excess period.

Amtrust calculated Ms R's settlement in line with a 30-day excess period, which meant it didn't include payment for the first 30 days of her absence.

Ms R was unhappy with the misinformation she'd been given and she complained about the way her claim had been settled.

Amtrust accepted that it had twice given Ms R the wrong information about her excess period and so it paid her £50 compensation. But it concluded that the claim had been settled in line with the policy terms.

Remaining unhappy with Amtrust's position, Ms R asked us to look into her complaint.

Our investigator didn't think Ms R's complaint should be upheld. While he acknowledged that Amtrust had given Ms R the wrong information about her cover after she'd made the claim, he felt she'd been aware that her policy included a 30-day excess period. So he didn't think it would be fair to ask Amtrust to settle the claim outside of the contract terms. And he considered that Amtrust had already offered Ms R fair compensation.

Ms R disagreed and so the complaint'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.

Having done so, whilst I'm sorry to disappoint Ms R, I think Amtrust has already settled her complaint fairly and I'll explain why.

It's common ground that Ms R's policy initially didn't include a 30-day excess period. Prior to July 2022, Ms R's policy was set-up with no excess period. So after a 30-day wait, any benefit due would be backdated to day one of a claim.

However, in July 2022, Ms R asked Amtrust to amend the policy to include a 30-day excess period, as well as a 30-day wait. I've seen a copy of the email she sent to Amtrust requesting this change. The amendment had the effect of reducing Ms R's policy premium. On 21 July 2022, Amtrust sent Ms R a letter confirming the amendment had been made. A new policy schedule was attached to the letter, which clearly stated that the policy was now subject to a 30-day excess period. As such, in the event of a successful claim, the terms of the updated contract between Ms R and Amtrust made it clear that no benefit would be paid for the first 30 days of any absence. It appears that Ms R was aware that the change had been made and the impact of the amendment on her cover.

I was sorry to hear about Ms R's injury. I don't doubt how painful this was for her and I do hope she's now made a good recovery. I also don't doubt how frustrating it must've been for her when Amtrust wrongly informed her (post-claim), on more than one occasion, that she didn't have an excess period. I can understand that this would've likely resulted in some confusion and that Ms R may have understood that benefit would ultimately be paid for the full period of her absence.

But as I've explained, I'm satisfied Ms R had asked for a 30-day excess period and the updated policy documents made the terms of the cover clear. I don't think it would be fair, reasonable or proportionate for me to direct Amtrust to pay Ms R for the first 30 days of her absence, when this period simply falls outside of the cover Ms R holds. Neither can I fairly conclude that Amtrust's mistakes caused Ms R to suffer any financial loss she wouldn't otherwise have done. That's because she was unfit for work during the 30-day excess period irrespective of its errors.

As I've set out above, I do appreciate that Ms R was likely caused frustration and some loss of expectation as a result of Amtrust's errors. And I think it's appropriate for Amtrust to pay Ms R a modest amount of compensation to reflect the trouble and upset its erroneous information caused her. I understand Amtrust has already paid Ms R £50 compensation for her distress and inconvenience. In my view, this is a fair and reasonable award to reflect the likely impact of Amtrust's errors on Ms R and so I find that it's already settled this complaint fairly. It follows then that I'm not directing Amtrust to pay anything more.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 10 October 2023.

Lisa Barham  
**Ombudsman**