

The complaint

Mr B complains about poor communication, delays and overcharging by Kensington when he wanted to make a change to his mortgage.

What happened

Mr B bought a property in 2015 with an interest only buy to let mortgage of around £400,000 from Kensington.

In 2019 Mr B discovered the title to the property wrongly included some land outside the boundary. He agreed to transfer the land to the developer. Mr B contacted Kensington in late April 2019 about making any necessary changes to his mortgage. And Kensington wrote to him in early May 2019 setting out their requirements. They included revaluing the property to take account of the fact part of the mortgaged property would be released.

Mr B's solicitors contacted Kensington in late April 2020. It wasn't until around November that progress towards the revaluation was made. Mr B blamed delays in the process on Kensington's poor communication. He was also unhappy the valuation fee Kensington charged was higher than their published tariff and that they wouldn't take payment of the fee by credit card.

Kensington didn't uphold Mr B's his complaint, so he brought it to the Financial Ombudsman. To put things right Mr B wanted Kensington to apologise for their mistakes, reimburse a proportion of the valuation fee and pay him compensation of £100.

Our investigator thought Kensington could have responded directly to the solicitors' query about whether a valuation was needed instead of sending standard letters when replying. He felt compensation of £50 was fair to compensate Mr B for the confusion that caused. But he didn't think Kensington had caused any other delays. Our investigator felt the valuation fee was in line with the tariff and the terms and conditions of the mortgage. Since the developer had paid it in any event, he didn't think it was fair to ask Kensington to reimburse Mr B. And he didn't think it was unreasonable that Kensington didn't accept payment of the fee by credit card.

Mr B didn't agree our investigator's outcome. So, his complaint's been passed to me for a final decision.

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 acknowledge Mr B's strength of feeling about what happened. I'd like to reassure him, and Kensington, I've considered everything they've said. I won't set it all out here. No discourtesy is intended by that. It simply reflects the informal nature of the service we provide.

I understand Mr B's concerned about some of Kensington's processes. Mr B would need to refer those concerns to the regulator, the Financial Conduct Authority. The Financial Ombudsman only has the power to consider individual complaints. In summary, our role is to consider whether Kensington treated Mr B unfairly and, if so, how to put Mr B back into the position he would have been in but for their mistake.

I've considered the communications between Kensington on the one hand and Mr B and the solicitors on the other. Kensington responded promptly to Mr B's initial contact in April 2019 setting out their requirements for considering the change to the mortgage. I'm not aware of any contact after that until late April 2020.

I think Kensington should have made it clearer in their June 2020 letter that they'd considered the solicitors' request to do without a revaluation of the property – which their records confirm they had - but decided it was necessary. Their response caused some confusion and a short delay. But Kensington confirmed to Mr B over the phone in mid-July that their requirements were as set out in the June letter. And they wrote to the solicitors confirming they required a revaluation in mid-August 2020, even if the solicitors didn't see that letter initially.

Mr B chased Kensington about progress in late October 2020 when they explained they were waiting to hear from the solicitors. Mr B was unhappy Kensington hadn't advised what the valuation fee would be. Kensington had said in May 2019 that they'd provide a quote for the revaluation fee once they had the information they'd requested from Mr B; once the fee was paid, they'd instruct the valuation; and the process would take approximately 4-6 weeks from the date of that instruction.

I don't think it's unreasonable that Kensington hadn't advised what the valuation fee would be. The issue of whether a valuation was necessary was still being raised by the solicitors. And Kensington had explained clearly at the outset, and in later letters, that Mr B could appoint his own surveyor. Until they knew the option Mr B was choosing, and when the valuation would take place, I don't think it's unreasonable they hadn't confirmed the fee. Once they'd discussed things with Mr B, they provided details of the surveyor's fee in mid-November 2020.

Mr B rang to pay the valuation fee around two weeks later. I acknowledge Kensington declined to accept payment by credit card. But it wasn't until February 2021 that Mr B paid the fee so the valuation could go ahead. And the valuation was then available within a month, in line with the timescales Kensington had set out.

Having carefully considered the sequence of events, and bearing the above in mind, I'm not persuaded the delays in the process from August 2020 onwards were Kensington's fault.

I understand Mr B was frustrated Kensington wouldn't accept payment of the valuation fee by credit card. But I'm not aware he was unable to pay in another way at the time, and he managed to pay later. So, I don't think Kensington treated him unfairly in refusing to accept payment by other means.

Mr B's unhappy with the amount of the valuation fee he was charged. I'm pleased to hear the developer has reimbursed him so he's not out of pocket. But I don't think Kensington were wrong to charge the fee. The terms and conditions of Mr B's mortgage allowed them to charge it. And they could review the level of their fees from time to time. I don't think that's unreasonable, given lenders' – and surveyors' – costs are likely to increase over time. The relevant tariff made clear charges may differ from those listed depending on the assessment required and location of the property. And the fee Mr B paid doesn't seem significantly out of line with the figures set out in the tariff.

Mr B said he approached some surveyors to carry out a valuation, but they weren't sure if they met Kensington's requirements, so he didn't go ahead. I'm not aware Mr B asked Kensington for clarification. And, in any event, I think they'd set out clearly enough at the outset and in later letters that Mr B could appoint his own surveyor to carry out a valuation provided, broadly, the surveyor was suitably qualified and the reports met certain requirements. So, he had that option if he wasn't happy with the fee Kensington were quoting.

I accept the time it took overall to regularise the title to Mr B's property and make the necessary changes to his mortgage will have been frustrating. But beyond the delay I've mentioned, I don't think Kensington treated Mr B unfairly. That delay happened soon after the solicitors had contacted Kensington to start the process. I think the £50 compensation our investigator recommended, and Kensington are prepared to pay, is fair and reasonable to reflect the distress and inconvenience to Mr B of Kensington's mistake.

Putting things right

Whilst I understand Mr B will be disappointed, I think it's fair and reasonable to uphold his complaint in part and direct Kensington to pay him £50 compensation to put things right.

My final decision

I direct Kensington Mortgage Company Limited to pay Mr B compensation of £50 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 July 2022.

Julia Wilkinson
Ombudsman