

## **The complaint**

Mrs M complains that she paid £250 for a valuation report to Barclays Bank UK PLC, when she believes the property she was purchasing was under-valued. She's unhappy that the same valuer, instructed by a different lender, then valued the property at a higher figure and her application with that lender was approved. She also unhappy about the poor level of customer service she received.

## **What happened**

Mrs M applied to Barclays for a buy-to-let mortgage. Barclays instructed a valuer and she paid a £250 fee for their report as part of the application process. Mrs M says that the report undervalued the property she was buying, and the valuer and Barclays wouldn't consider the comparable evidence provided to support the value of the property. So Barclays didn't approve her mortgage application.

But when she applied for a mortgage with a different lender, the same valuer gave a higher valuation, agreeing the purchase price and her mortgage application was approved. She had to pay a further valuation fee to this lender. And in light of the inconsistent valuations she believes the valuation fee she paid to Barclays should be refunded.

Mrs M raised a complaint with Barclays as they wouldn't agree to refund her valuation fee. She also complained about their failure to respond when she wrote to them about the matter.

Barclays responded to her complaint saying they relied on the expertise of their valuers and had to rely on their opinion in assessing the risk of an application. But they accepted that Mrs M hadn't received the level of customer service they'd expect and offered her £100 for the distress and inconvenience she'd experienced.

In their letter to Mrs M Barclays said they were upholding Mrs M's complaint and she understood this to mean they would be refunding the valuation fee she'd paid, as well as paying her the £100 compensation they'd offered.

As Mrs M didn't receive any payment from Barclays she complained to our service. Our investigator considered the case but didn't uphold Mrs M's complaint. He said we're unable to look into the conduct of the valuer, as valuations aren't financially regulated products. He was only able to consider whether Barclays appointed an individual who was suitably qualified. And whether they'd followed their usual appeals process if a customer was unhappy with the valuation they received.

He said he'd reached out to the second lender who'd provided a copy of their valuation report. This didn't indicate who'd completed the valuation, but he said he had no reason to dispute Mrs M's testimony that it was the same person who completed the valuation for Barclays. And he was satisfied the valuer Barclays appointed was suitably qualified.

In respect of their appeals process Barclays had said that where the difference between the required valuation and the actual valuation was less than 10% an appeal can't be made so the valuation couldn't be changed. And as we're not able to comment on the valuer's

actions, our investigator said he wasn't able to say which valuation was more accurate.

Our investigator said he understood Mrs M's frustration but as Barclays had followed their process he didn't believe they should refund the valuation fee. And he felt the £100 they'd offered for distress and inconvenience was fair, given the considerable time it took them to respond to Mrs M's concerns.

Barclays accepted our investigator's opinion, but Mrs M didn't. She remained of the view that Barclays had agreed to refund the valuation fee, as well as paying her £100 compensation as they'd upheld her complaint. And she said our investigator hadn't considered the poor customer service she'd received, or that Barclays hadn't paid her the money they'd promised.

Our investigator asked Mrs M to confirm her understanding of Barclays offer and if she'd been told the valuation fee was non-refundable. She replied saying she'd never been told this and she believed Barclays had agreed to refund the fee, as this was what she complained about, and they upheld her complaint.

Our investigator made further enquires of Barclays who advised him that Mrs M's mortgage application was an advised one, made via a broker, and they had no direct contact with her. In this situation they said it would have been the broker's responsibility to explain that the valuation fee was non-refundable.

He then issued a further opinion saying that he understood Mrs M's complaint had been upheld, but this was in relation to customer service. And Barclays had never agreed to refund the valuation fee. He also said that the valuation fee was non-refundable, and it would have been the responsibility of the mortgage broker to explain this to her.

Mrs M didn't accept our investigator's further opinion so the case has come to me for a 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.

The valuation fee that Mrs M paid to Barclays is at the heart of her complaint. I can't look at the actions of the valuer, as that's an unregulated activity. As our investigator has said all I can consider is whether Barclays instructed a suitably qualified person to carry out the valuation. And as there's no evidence to suggest otherwise, I accept that they did.

Mrs M is unhappy that Barclays wouldn't consider any further evidence and review the valuation. But as our investigator has explained as there was a less than 10% difference between the required valuation and the one that was received, there was no right of appeal.

Mrs M has no direct contact with Barclays until she raised her complaint as her mortgage application was submitted on her behalf by a mortgage broker. In these circumstances it would be for the broker to explain the application process to Mrs M, including advising her that the valuation fee was non-refundable and covering the circumstances in which a valuation could be appealed.

Mrs M has told us that the same valuer, instructed by another lender later valued the property she was buying at the required value, and I accept this. While I understand her frustration regarding this, I can't look at the actions of the valuer. And as Barclays have followed their application process I can't say they should refund the valuation fee, as this

was non-refundable, as her mortgage broker should have explained.

Mrs M believes that when they responded to her complaint, Barclays agreed to refund the valuation fee, as they said her complaint was upheld. I've considered the final response letter Mrs M was sent. In the letter Barclays set out the concerns Mrs M had raised about her property being down valued and about not receiving a reply when she raised a complaint by letter.

They then address the complaint about the valuation, saying they'd relied on their valuer's expertise. In the next paragraph they confirm that her complaint is upheld and go on to address the level of customer service she'd received, offering £100 compensation for this falling below the high standard they expect.

There's no reference to the valuation fee, or to this being refunded. The only offer made is the £100 compensation for poor customer service. And while Mrs M may well have thought that by upholding her complaint Barclays agreed to refund the £250 valuation fee, as this was part of her complaint, this wasn't the offer they made. And as I've explained above I can't ask them to refund a non-refundable valuation fee.

There was a delay in Barclays responding to Mrs M when she contacted them about the valuation. They've acknowledged this and I think the £100 compensation they've offered for this is reasonable, so I won't be asking them to do any more.

### **My final decision**

For the reasons set out above my final decision is that I don't uphold Mrs M's complaint about Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 20 March 2024.

Patricia O'Leary  
**Ombudsman**