

The complaint

Mr E complains about the valuation he obtained for his property, as part of his remortgage application with National Westminster Bank Plc. Mr E said that the valuation was too low, and the subsequent attempts to justify it by the valuer was fraudulent.

What happened

Mr E said that he commissioned a valuation, through NatWest, as part of his application to remortgage his home. Mr E said the report he received contained incorrect information, so he challenged it. Mr E said the reasons for the valuation then changed, and changed again.

Mr E said the valuation service provider was contradicting itself, and using data to manipulate report factors in a fraudulent manner. He complained, and said he'd received a response from NatWest, and from the valuation service provider. But he said the position hadn't changed.

Mr E said the valuation figure he was given meant his mortgage was at a higher loan to value. And that in turn meant he would be paying around £200 or £300 more each month for his mortgage. He said this was because the valuation service provider hadn't dealt with its own errors when he first pointed them out. Rather, Mr E said that the further responses were inconsistent and fraudulent. He felt the valuer was just trying to cover up a bad report by lying and making things up. He thought NatWest should have instructed a different firm to review the valuation.

Mr E said he'd now had to change mortgage supplier and had a worse mortgage deal.

NatWest didn't think it had done anything wrong. It said it has no technical expertise in property valuation, and it also doesn't have specialist knowledge of the local area. So it relies on the opinion of a suitably qualified professional, and it had chosen an accredited, reputable firm.

NatWest said it had commissioned a professional opinion, and felt it was reasonable to rely on that opinion. It said it wouldn't dispute the accuracy of the valuation. It understood Mr E disagreed, and it had put Mr E's concerns to the valuers, but the valuers didn't agree with him. NatWest still relied on the view of its valuers.

NatWest initially apologised for not sending Mr E the valuer's response which it received in June 2024, but then it said it thought it had sent this after all.

Our investigator didn't think this complaint should be upheld. He said he was just looking at what NatWest had done. And here, NatWest had instructed a properly qualified person to carry out the valuation for it, and was entitled to rely on the view it had commissioned.

Mr E has written to our service a number of times since then, raising further concerns about who the client was for the valuation report, as well as the professional qualifications and experience of the valuer, but our investigator didn't change his mind. Mr E has also

complained that NatWest hasn't complied with his data disclosure request, but our investigator said that hadn't formed part of Mr E's original complaint to NatWest, so we couldn't look at that now.

Because no agreement was reached, this case was then 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've reached the same overall conclusion on this complaint as our investigator.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues.

I understand that Mr E is likely to be disappointed by my decision, and perhaps also by the level to which our service is able to engage with his arguments. That's partly because, as I've set out above, our service provides an informal dispute resolution service, and doesn't necessarily comment on all the points the parties have raised in resolving complaints. But it's also because the review I'm able to engage in here, isn't the review that I understand Mr E would like us to conduct.

Mr E has maintained from the start of this complaint that he is the customer, for the valuation which was provided of his property. He says he has a contract with the valuation firm. But that's not my understanding of the position. I know that Mr E paid NatWest a fee, as part of his remortgage application. But this fee doesn't establish a contract between him and the survey firm. That firm works for NatWest, not Mr E, and it's answerable to NatWest for the content of the valuation it provides.

Further, the conclusions of survey company here, or of its valuation staff, does not fall within the remit of our service. Whilst Mr E has sought to challenge this, that remains the position here. So I cannot engage directly with Mr E's arguments that the valuation provided by this firm was either negligent or fraudulent.

All that I can do in this case is consider the actions of NatWest. And if, in my view, NatWest has responded fairly and reasonably to Mr E's concerns, then this complaint will not be upheld.

Mr E's house was purchased only two years ago. I understand Mr E considers that his house was purchased considerably below market value. He says this was partly because of the circumstances of the property's previous owners and its usage (which I won't set out here) and he also credits this purchase to strong negotiation. But it's not clear from what Mr E has said, why the seller would agree to sell the property to Mr E at considerable undervalue, at a very buoyant time in the housing market.

Mr E also argues that the local property market has seen significant uplifts in value since he bought his property. Mr E's starting position was that his property is worth around 32% more than he paid for it, only two years ago.

The valuer, however, has returned a more modest figure, suggesting an uplift of about 12% overall.

I need to consider whether it was fair and reasonable for NatWest to have accepted the valuer's view here.

The first matter I need to consider is whether NatWest instructed an appropriately qualified person to carry out this valuation. The valuation itself identifies that it was completed by someone who is an associate member of the relevant professional body.

Mr E says this level of professional qualification isn't appropriate for the work this person has done, and also that the individual themselves is insufficiently qualified and experienced to carry out this job. I'm sorry to tell Mr E that I don't agree with either of those points. I think it was reasonable for NatWest here to have instructed a firm with considerable experience in this field, and for that firm to ask a valuer with associate membership of the relevant professional body to carry out that work. I don't think Mr E has shown otherwise.

Mr E is also deeply unhappy with the final valuation figure offered for his property, and suggests it's just not a reasonable conclusion for the valuer to have reached. He challenged this, and received further explanation of the valuer's views, which NatWest was told have been reviewed by a senior staff member.

I understand Mr E felt these responses just bolstered his case, because he says that the valuer's further comments about the effect on his property of environmental factors like road noise, and the valuer's views on relevant comparable property sales, cannot be supported. But what I have to consider here is whether NatWest ought to have disregarded the advice of the commissioned professional that it had hired to value Mr E's property.

I understand that Mr E's views on this point are firmly and genuinely held. But I'm sorry to have to say that I don't think Mr E has established that NatWest ought to have set aside its valuer's assessment of the property here.

It's up to the lender concerned to decide whether to operate an appeal process against any valuation given. Here, I can see that when Mr E raised concerns, NatWest did then refer these to the valuer. Although Mr E says there was some delay in this, NatWest did pass on the valuer's responses to Mr E in reply. And, although I understand Mr E thinks NatWest could have acted more promptly in response to his concerns, I do think that NatWest has taken these concerns seriously.

But I don't think NatWest had to agree with Mr E. And I don't think NatWest had to instruct another valuation firm, to check the views of its first valuer. It's clear that NatWest has continued to prefer the assessment of its own valuer. I anticipate that Mr E won't agree with me, but I don't think that's unreasonable or unfair. And I've explained why I'm not able to consider Mr E's detailed arguments against the assessment he received.

I know that Mr E will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 13 November 2024.

Esther Absalom-Gough
Ombudsman