

The complaint

Mr and Mrs H complain that Skipton Building Society lent them a mortgage on a property that was unsuitable security because the roof was badly damaged.

What happened

In January 2024 Mr and Mrs H took out a mortgage with Skipton to buy a new house. Soon after they moved in, a large part of a ceiling collapsed. Their insurer's investigation said that the root cause was damage to the roof caused by wear and tear. Mr and Mrs H arranged for a roofer to assess the roof, and they say the roofer concluded that long-term damage had caused rot and holes in the roof felt and the house needs a new roof.

Mr and Mrs H say that the issues with the roof should have been identified during their mortgage application, and the property should have been considered unmortgageable until the issues were fixed. They think that Skipton shouldn't have granted the mortgage in these circumstances and say that the costs of putting right the problems with the property will put them in financial difficulty. They made a complaint to Skipton.

Skipton said it had relied on the opinion of a professional valuer in granting the mortgage and it was entitled to do that. It didn't uphold the complaint.

Mr and Mrs H referred their complaint to the Financial Ombudsman Service, but our Investigators didn't think Skipton had done anything wrong.

Mr and Mrs H didn't accept that conclusion. They considered that Skipton should be responsible for the property valuation, because it – not Mr and Mrs H – chose and instructed the valuer, and that Skipton hadn't complied with the Financial Conduct Authority's Consumer Duty. They also said they have had to take out a loan in order to pay for the roof to be replaced, which has put their finances under strain.

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 can certainly see that Mr and Mrs H have been left in an upsetting and stressful situation. They didn't expect to have to pay for a new roof at a time when they have only recently bought and moved into a new home. But I don't find that this is because of anything Skipton did wrong, for the reasons I'll explain.

Skipton instructed a firm of qualified surveyors, regulated by the Royal Institution of Chartered Surveyors (RICS) to carry out the valuation on the property Mr and Mrs H wanted to buy. The surveyor had concerns about the steps leading up to the property, and Skipton followed the surveyor's guidance in asking for a structural engineer's report. It then relayed that report to the surveyor to assess and decide the valuation of the property and its suitability for mortgage purposes.

Skipton told Mr and Mrs H about the need for the structural engineer's report and the reason for it. Once the report had been done and had identified the need for the steps to be repaired or replaced, Mr and Mrs H arranged and provided an estimate of the cost of the works. Skipton passed that on to the surveyor to assess and include in their valuation report.

Skipton was entitled to do all of that. It isn't responsible for what the surveyor put in their report or for the value they placed on the property. It was responsible for appointing a surveyor who was suitably qualified. I'm satisfied that it did that given the surveyor's RICS qualification, and it was then entitled to rely on their opinion.

I'm also satisfied that Skipton made it clear to Mr and Mrs H that the report was only for it to decide whether the property was suitable security for the proposed mortgage. The mortgage offer said:

Report & Valuation

If a copy of the Report and Valuation is provided to you by us please note, it is for mortgage purposes only and is prepared by an external valuer for us.

Skipton has said that it also explained this to Mr and Mrs H during their mortgage advice appointment with it in early November 2023, as well as that the valuation wouldn't be a detailed inspection and would only raise issues affecting the suitability of the property as security for the mortgage. It has said that it also told them that they could contact the surveyors' firm to upgrade the valuation if they wanted, that this would be subject to a fee, but the fee would be discounted because the same firm would be carrying out the more basic valuation for Skipton. I've seen Skipton's records of its contact with Mr and Mrs H, and they show that Mr and Mrs H asked it for contact details for the firm of surveyors in November 2023 in order to discuss upgrading the valuation.

The valuation Skipton relied on in deciding to lend to Mr and Mrs H was carried out for it, so it could decide whether and on what terms it would lend. It wasn't for Mr and Mrs H. It was Mr and Mrs H's decision whether or not to instruct their own survey if they wanted one. As I've said, Skipton instructed a suitably qualified surveyor, and it was entitled to rely on their valuation. This doesn't mean it takes on liability for the surveyor's valuation or what they put in their report. And I don't have the power to consider a complaint about the surveyor.

Mr and Mrs H have said that Skipton hasn't acted in line with the financial services regulator's Consumer Duty, because it hasn't acted in good faith or avoided causing them foreseeable harm, and they haven't had a good customer outcome. I've taken account of the requirements of the Consumer Duty in making my decision. While it's quite clear that Mr and Mrs H haven't had a good outcome given the work needed to the property and the cost of that work, for the reasons I've explained, I don't think that's because of anything Skipton did wrong.

The Consumer Duty doesn't mean that customers will always get good outcomes or that it will always be the financial services firm's responsibility if something goes wrong. It's very unfortunate that Mr and Mrs H haven't had the outcome they hoped for when buying their new home. But I consider that Skipton acted in good faith in its handling of their mortgage application and it couldn't reasonably have foreseen the harm that Mr and Mrs H have complained about. It instructed a suitably qualified surveyor, it was entitled to rely on their opinion, it explained to Mr and Mrs H what they would need to do if they wanted a more detailed inspection of the property to help them decide whether to buy it, and so I can't reasonably require it to compensate Mr and Mrs H for the problems with their property.

Finally, I understand that Mr and Mrs H have discussed with Skipton some of the options they can consider if they're struggling with their mortgage payments, including the support

available under the Mortgage Charter. If they are still finding things difficult, I encourage them to remain in contact with Skipton so see what it can do to help.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 16 December 2024.

Janet Millington
Ombudsman