

## **The complaint**

Mr F and Miss W complain of the difficulties they faced in obtaining additional borrowing from Bank of Scotland plc trading as Halifax.

## **What happened**

Mr F and Miss W spoke with a mortgage advisor in August 2024 about additional borrowing on their mortgage. Halifax used an index-linked valuation to value their property which Mr F and Miss W say undervalued it and wouldn't have allowed them to use the equity in the property to get the additional borrowing they required. Mr F and Miss W had three independent valuations of between £166,000 and £177,000 but Halifax's index-linked valuation had it down at £148,000. The mortgage advisor said it wouldn't be worth their time challenging the index-linked valuation and if they demanded it they would have to pay £100 for a drive-by valuation. But they say the adviser then refused to offer it. Mr F and Miss W raised a complaint which Halifax upheld and told them to contact the adviser again to make an application, submit evidence and Halifax could arrange a free drive by valuation. Mr F and Miss W went to another lender and got a mortgage offer in September 2024 based on a valuation of £166,000.00.

Halifax agreed that it provided incorrect information about the valuation process for the further borrowing and Mr F and Miss W could appeal the valuation and get a drive by valuation subject to providing further evidence and making an application for the further borrowing. Halifax paid compensation of £60 for providing the incorrect information. Our investigator's view that it was reasonable for Halifax to rely on the index-linked valuation and to provide Mr F and Mrs W the opportunity to challenge it and require a drive-by valuation at a later stage of the application process. Mr F and Miss W disagree saying in summary that its unfair to undervalue someone's house by £20,000.00.

## **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.

Mr F and Miss W urgently required repairs to be done to the roof of their property. When they contacted Halifax initially about further borrowing they say they were told that they couldn't challenge the index-linked valuation, but Halifax then said that they could, but it required a full application. I note that Mr F and Miss W were annoyed that the mortgage adviser seemed to concentrate on getting them to reduce their credit card balance. For Mr F and Miss W this was missing the point as they would pay off the credit card with the additional borrowing. As I understand it from the adviser's point of view if the credit score improved it might lead to a higher LTV facility allowing Mr F and Miss W to borrow more within the existing index linked valuation.

I appreciate that Mr F and Miss W were annoyed with that, but it does seem that it was a genuine attempt by the Halifax adviser to assist them, although that adviser seems to have misunderstood that they could get a free drive by valuation and told them it would cost £100. After Mr F and Miss W complained, Halifax replied on 13 August 2024. It said the mortgage

adviser made a mistake and they didn't need to pay £100 for a drive by valuation and they could challenge the valuation by proceeding with an application for a further advance. Halifax offered £60 for the incorrect information. This was shortly after the initial problem that Mr F and Miss W encountered with the valuation at the beginning of August, so it was a timely response by Halifax.

So, Halifax offered Mr F and Miss W a drive by valuation subject to meeting Halifax's conditions including obtaining a mortgage illustration and providing evidence of other valuations supporting their claim for the higher valuation. As I understand it they were able to supply these valuations - in the complaint form they refer to having got three valuations between £166,000.00 and £177,000.00 - so that would have only required them to start the application. It's not clear to me why at the stage Mr F and Miss W didn't start a formal application. Mr F and Miss W's object was to obtain additional borrowing. The valuation after all was only one part of that process and so a full application would have been required. So, I don't consider that it's unreasonable that Halifax required a full application, and such a request is clearly not a refusal to do a drive-by valuation at the appropriate time.

My view of this complaint is that there was an initial error by Halifax which it admits to. But shortly afterwards Halifax explained its process which would have allowed Mr F and Miss W to challenge the index-linked or desktop valuation. I appreciate that the index-linked valuation in this case may have provided an incorrect figure but there was a process to challenge it which was open to Mr F and Miss W. Halifax initially provide incorrect information but it offered compensation for that which seems fair and the correct information was provided shortly afterwards which would have allowed Mr F and Miss W the opportunity to proceed with the application and get a drive-by valuation.

There is a section in our Complaints Form where Mr F and Miss W are asked how would they like Halifax to put things right and their reply is "*One department said we can get a valuation whereas the other department is refusing. There is no continuity and disadvantaging vulnerable customers.*" But I consider that after they complaint that Halifax did offer to look at another valuation as part of an application process. That seems a reasonable response together with a payment in recognition of the initial error. So, I can't fairly uphold this complaint.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Miss W to accept or reject my decision before 7 January 2025.

Gerard McManus  
**Ombudsman**