

The complaint

Miss C's complaint is that Metro Bank PLC unfairly charged her a £130 valuation fee on her buy-to-let (BTL) mortgage application.

Miss C also says Metro sent correspondence to the address of a house she was buying, which I will refer to here as 131 OSP. Miss C said this is a breach of her data.

What happened

Through her mortgage broker, Miss C applied for a BTL mortgage with Metro. The mortgage was for a leasehold flat which had 63 years remaining on the lease. Miss C estimated the property to be worth £200,000. The application form completed by the broker stated that Miss C's correspondence address was 131 OSP.

Miss C paid a £130 valuation fee, and Metro appointed a surveyor, who carried out an inspection of the flat. The surveyor thought the property was only worth £160,000 but also said that the length of the lease meant that, in his opinion, it was unsuitable security for a mortgage. Metro therefore declined the application.

Miss C complained to our service. She wanted Metro to refund the valuation fee. She said that Metro knew how long was left on the lease before the surveyor had inspected the property, and so should have declined the application at the start rather than take her fee.

Miss C also complained that letters had been sent to her at 131 OSP, which she said was a property she was buying. Miss C complained that this was a breach of her personal data. Before we could look at the complaint, we asked Metro to provide a final response.

Metro didn't uphold the complaint about the valuation fee. The bank explained that its lending criteria was that it required at least 50 years remaining on a lease at the end of the mortgage term, but that this was also subject to the valuer's recommendations. Metro also said that the valuation fee was non-refundable.

Metro asked Miss C for further information about correspondence being sent to an incorrect address, because the bank hadn't been able to identify which address this might have been.

Miss C wasn't happy with Metro's response and asked us to consider the complaint. An Investigator looked at what had happened, but didn't think the complaint should be upheld. He was satisfied the valuation fee had been properly charged and so there was no basis on which Metro was required to refund it. He also found no error in relation to the alleged data breach.

Miss C asked for an Ombudsman to review the complaint. She said that it is "*common knowledge*" that Metro's valuer will not support the valuation on her flat. Therefore "*Metro Bank going ahead instructed their valuer to gain valuation fee from me while knowing their valuer will not support the valuation on my property*" and "*It's more of a view how the customer in the leasehold situation to be protected from being ripped off by the mortgage*

provider, e.g. Metro Bank, etc and what role that FOS play to encourage better practice.”
[sic]

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 will begin by explaining that the Financial Ombudsman Service is not a regulator, and we have no supervisory role over Metro or any other bank. Therefore, whilst I've noted Miss C's comments about protection for leasehold customers across the industry, that's not something that falls within our remit. My role is to consider Miss C's individual complaint against Metro about the valuation fee which she says was charged unfairly, and the data breach.

I've reviewed Metro's lending criteria for leasehold BTL properties. These show that Metro *will* consider lending on leasehold properties provided there is at least 50 years left on the lease at the end of the mortgage term, subject to the valuer's comments. Therefore Metro *can* lend on such properties, if the valuer supports it.

It wasn't a foregone conclusion that Metro should have declined the application purely based on the length of the lease term once it received the mortgage application, because the criteria state that the valuer's comments are also a consideration. Therefore in order to determine whether the property was suitable security, a valuation was necessary. As this was a BTL mortgage, the valuation was wholly for Metro's purposes, in order for the bank to decide whether or not to lend. In this case, the valuer didn't consider the property to be suitable for a BTL mortgage. Metro was entitled to rely on the valuer's opinion about this, and so was also entitled to decline the mortgage application.

I'm also satisfied that the valuation fee was non-refundable. Miss C's broker should have made Miss C aware of this, and let her know that if the mortgage didn't proceed, the fee would not be returned. In the circumstances, there is no basis on which it would be fair or reasonable to require Metro to reimburse this.

I turn now to Miss C's complaint about a data breach. Miss C has provided us with photographs of letters addressed to her at 131 OSP, with a return address for Metro Bank's head office. As I said above, Miss C's broker entered 131 OSP as Miss C's correspondence address on the mortgage application form. Metro was entitled to rely on the information provided by the broker as being accurate. If this was incorrect, it is something Miss C will need to raise with her broker. I therefore find no error on the part of Metro in sending letters to the address Miss C's broker had entered on the form as her correspondence address.

My final decision

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

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 20 March 2025.

Jan O'Leary

Ombudsman