

The complaint

This complaint is about an application Mr S made to Barclays Bank UK PLC in late 2024 to re-mortgage his property. He believes his property was under-valued, forcing him to choose whether to accept a higher interest rate or pay a large lump sum to bring the amount being borrowed below the 75% loan to value (LTV) ratio necessary to qualify for the rate he'd originally applied for.

What happened

The above summary is in my own words. The broad circumstances of this complaint are known to Mr S and Barclays. I'm also aware that the investigator issued a detailed response to the complaint, which has been shared with both parties, and so I don't need to repeat the details here.

Our decisions are published, and it's important that I don't include any information that might result in Mr S being identified. Instead I'll focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

What I've decided – and why

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we work within the rules of the ombudsman service and the remit those rules give us. We don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Like most lenders, Barclays offers different interest rates to its customers, depending on what LTV band their mortgage falls into. It can do that; it's a matter of commercial judgement and not something I should interfere with.

With a new mortgage, a lender will invariably rely on a contemporaneous valuation from a suitably-qualified valuer. The valuation is paid for by the applicant but is solely for the lender's benefit. That is standard industry practice.

In Mr S's case, the valuation Barclays commissioned produced a figure that was lower than Mr S had anticipated. This placed the proposed mortgage in a different LTV bracket, meaning that Mr S no longer qualified for the interest rate he'd applied for. This presented Mr S with a choice between two unwelcome alternatives; either accept a higher rate or

borrow a lower amount and make up the difference from savings. It's my understanding he chose the latter.

I haven't considered whether the valuation was accurate or not; I have no remit to do so. It was carried out by a member of the Royal Institution of Chartered Surveyors (RICS) employed by an independent firm of surveyors that isn't covered by our jurisdiction. However, by instructing an RICS-qualified surveyor, Barclays discharged its duty to Mr S and could fairly rely on the surveyor's opinion when deciding how much and on what terms it was willing to lend to Mr S.

Barclays has an appeals mechanism, but this can only be invoked if the difference between the anticipated and actual valuation is at least 10%. Here, the difference was below that threshold, so no appeal was available to Mr S. I appreciate that's disappointing, but I have no power to dictate what Barclays' policy should be. All I can do is assess whether Barclays applied its policy fairly, and I'm satisfied it did in Mr S' case.

My final decision

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

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 October 2025.

Jeff Parrington

Ombudsman