

The complaint

Mrs J complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) declined her claim for a refund of a purchase made using her credit card.

What happened

Mrs J made an offer to purchase an apartment that was accepted by the property's seller. She then applied for a mortgage with a lender I'll refer to as "C". Mrs J paid C £775 for a "mortgage valuation". After the valuation was complete, C said the apartment Mrs J was worth much less than the agreed sale price and declined to offer her a mortgage.

Mrs J disagreed with C's valuation and explained her reasons, but C wouldn't provide a copy of its valuation, review it or refund the valuation fee. Mrs J made a claim to NatWest for a refund of the fee paid to C.

In response, NatWest said it was unable to raise a chargeback for Mrs J's payment to C as there was no valid reason to do so under the card scheme's rules. NatWest explained it had considered a claim under Section 75 of the Consumer Credit Act 1974 ("Section 75"). Having done so, NatWest said there was insufficient evidence to show there was a breach of contract or any misrepresentation on C's part.

Mrs J referred her complaint to our service. Mrs J said the valuation had not been carried out to a reasonable standard and NatWest had treated her unreasonably.

Our Investigator said NatWest's decision not to attempt a chargeback was reasonable as there was no grounds to raise a chargeback under the card scheme's rules. Our Investigator said that without a copy of any contract for the valuation, it was not possible to decide that C had breached its contract or misrepresented anything.

Mrs J asked for an Ombudsman to review her complaint. Mrs J provided evidence that another lender was prepared to offer her a mortgage and that similar properties sold for more than C's valuation.

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.

Chargeback is a way in which payment settlement disputes are resolved between card issuers (NatWest) and merchants (here, that's C). They are dealt with under the relevant card scheme rules (in this case, it's Mastercard's scheme). A chargeback is not a legal right and has no guarantee of success. It is, however, good practice to raise a chargeback where it has a reasonable prospect of success.

There are a limited number of reasons for a successful chargeback under Mastercard's rules and, from the evidence available, I cannot see that any of them apply to Mrs J's situation. As I've said above, there's no contract for the mortgage valuation or other documentation sent

by C to Mrs J that explained what the valuation involved. I've reviewed C's website, which says the valuation report is used to calculate how much C will lend. The website goes on to say a surveyor may carry out a physical valuation or a remote valuation without visiting the property. From the evidence available, there's nothing to show the service C provided was not as described. There's also nothing to show Mrs J was entitled to a refund if C went on to decline to offer her a mortgage. As I don't think there's any reason a chargeback would likely have been successful, I think NatWest's decision not to raise a chargeback was reasonable.

Section 75

Section 75 of the Consumer Credit Act 1974 allows a customer to submit a claim for breach of contract or misrepresentation by a supplier to their credit provider.

It's not been argued that any of the technical conditions for a Section 75 claim have not been met, so I don't intend to cover this point in detail. I'll say only that, having considered the available evidence, I conclude the technical conditions have been met.

As I said above, there is no contract for the valuation report. It would be difficult to conclude C has breached the terms of its contract without the contract itself. The only documentation available about what the valuation report involved is taken from C's website which, as I've said above, makes it clear the purpose of the report is to help C decide how much it is prepared to loan. The website says the report will include a physical or remote valuation. From the evidence available, there's nothing to show C failed to provide the service set out on its website. Whilst Mrs J is unhappy C did not provide a copy of the valuation report, reconsider its valuation or offer a refund, there is no evidence to show C was obliged to do either of these things. In any event, Mrs J has not been able to show she was entitled to a refund if she disagreed with C's valuation.

Overall, I think there is insufficient evidence to show C failed to carry out the process it was contracted for. And based on the evidence outlined above, I don't think there's any evidence to show C misrepresented the service Mrs J was paying for.

Mrs J thinks C failed to provide its service with reasonable care and skill, as required by the Consumer Rights Act 2015. To support her argument, Mrs J provided a list of five apartments in the same building that had sold for more than the agreed sale price. However, these are not the specific apartment Mrs J wished to buy – they are on different floors, with different aspects and square footage. Ultimately, I do not think the evidence shows C failed to exercise reasonable care and skill in reaching its professional opinion on the value of the specific apartment Mrs J wanted to purchase. I understand another lender was prepared to lend to Mrs J, but different lenders have different borrowing criteria and again, this does not show a lack of reasonable care and skill on C's part.

As I have said above, deciding on the apartment's value was ultimately a matter for C's professional opinion and I don't think the evidence shows C failed to provide the service it was contracted for to a reasonable standard. With the limited evidence available, I think NatWest's decision to decline Mrs J's claim under Section 75 was a reasonable one.

My final decision

I realise my decision is likely to disappoint Mrs J, but I have not upheld her complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 24 June 2025.

Victoria Blackwood
Ombudsman