DRN-5648093

The complaint

This complaint is about a mortgage Mr and Mrs T sought with Bank of Scotland plc trading as Halifax in the summer of 2024. They believe their property was under-valued, forcing them to source the mortgage with a different lender. The extra time this took meant they missed out on a large discount on the purchase price that was dependent on completion taking place by a specified date.

What happened

The above summary is in my own words. The broad circumstances of this complaint are known to Mr and Mrs T and Halifax. 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 and Mrs T 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, which means it's not within my remit to change the law in the way Mr and Mrs T have said should happen.

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.

That includes Mr T's most recent emails in response to the investigator's view.
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.

The valuation produced a figure that was lower than Mr and Mrs T had anticipated; £1.05M as opposed to the agreed price of £1.379m, which I understand had been reduced from £1.665m. This would have ruled out any prospect of Halifax lending the amount applied for, which was £1.17m.

Mr and Mrs T have pointed to what they see as numerous factual errors in the valuation.
I haven't considered whether the valuation was accurate or not; very simply, I have no remit

to do so. It was carried out by a member of the Royal Institution of Charted Surveyors (RICS) employed by an independent firm of surveyors that isn't covered by our jurisdiction.

However, by instructing an RICS-qualified surveyor, Halifax had discharged its duty to Mr and Mrs T and could fairly rely on the surveyor's opinion when deciding how much and on what terms it was willing to lend to Mr and Mrs T.

Once the lower valuation became known, Mr and Mrs instituted an appeal to Halifax through their broker; I'm aware they also appealed directly to the firm of surveyors, but that exchange is of no relevance to what I'm dealing with here. Mr and Mrs T say Halifax blocked an appeal, but the evidence I've seen doesn't support that. Halifax's contact notes record that it explained to the broker that based on the information supplied, there was no prospect of the surveying firm considering an appeal, because:

- the comparable properties the broker had submitted for consideration had also been sold more than 12 months earlier; and
- all were in the same development.

That's altogether different, and in my view, a reasonable message for Halifax to convey. Ultimately, the reason no appeal was made to the surveying firm is that the information Mr and Mrs T's broker provided didn't meet the necessary criteria for an appeal.

I appreciate that's disappointing, but I have no power to dictate what Halifax's policy on appeals should be. All I can do is assess whether Halifax applied its policy fairly, and I'm satisfied it did in Mr and Mrs T's case.

This presented Mr and Mrs T with a choice between two alternatives; either find details of comparable properties that met the criteria for an appeal, or go to a different lender. They chose the latter, which was their prerogative. I simply no criticism of that choice, and none should be inferred. But insofar as it was a choice, they must accept the consequences of having made it.

<u>Other matters</u>

Mr and Mrs T are unhappy at how long it took for the valuation to be produced; the firm was instructed on 25 June 2024, and the report wasn't carried out until 10 July 2024, due to the individual valuer's availability. That's regrettable, and I've no doubt Mr and Mrs T found this irksome, but it's not something I can attribute to Halifax.

Mr and Mrs T paid Halifax a fee for the valuation, which they believe should be refunded. The purpose of the fee is to cover the cost of Halifax obtaining an independent report on the suitability of the proposed security for the proposed loan. Mr and Mrs T may not have been happy with the result, but they received the service the fee paid for. Therefore, no refund is due. I know this won't be the outcome Mr and Mrs T hoped for, but overall, I sense that they believe Halifax's duty to them was greater than it actually was.

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 and Mrs T to accept or reject my decision before 6 October 2025.

Jeff Parrington
Ombudsman