

The complaint

Mr and Mrs D complain about how NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY handed their application for additional borrowing on their mortgage.

What happened

Mr and Mrs D have a mortgage with NatWest. They wanted to take additional borrowing for home improvements and to repay some unsecured debt.

They complain that NatWest:

- Gave them incorrect and misleading information about which debts they could consolidate.
- Incorrectly carried out two valuations. That led to them being charged twice and the property down valued.

The investigator thought that NatWest's offer of £150 was a fair way to settle this complaint.

Mr and Mrs D did not accept what the investigator said. They responded to make a number of points, including:

- The investigator had not thought about the stress and uncertainty this matter caused to them.
- If the valuation had come back lower at the start, then they would not have built enough equity to carry out their plans and would likely not have chosen to take the additional borrowing. But by the time they saw the figure they'd already arranged for the home improvements to be carried out.
- They'd been misled and wrongly advised.
- The offer of £150 does not cover the stress and anxiety they experienced.

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.

Valuation

NatWest has accepted that it should not have told Mr and Mrs D to pay for a valuation before they'd started their application. It has agreed to refund the fee they paid for that.

NatWest also said that it should have used the initial higher valuation rather than using the subsequent lower valuation. But there is no financial loss to Mr and Mrs D as the amount they borrowed was still below the same loan-to-value threshold, whichever valuation was used.

It was Mr and Mrs D's decision whether to proceed with their intended work before NatWest had given them a formal offer for the additional borrowing. That was their decision. But bearing in mind there is no loss arising from the different valuations and as NatWest accepts the initial valuation ought to have stood, I am not persuaded that Mr and Mrs D would not have proceeded had things been explained to them more clearly.

I understand why Mr and Mrs D are worried about the discrepancy between the initial valuation and the second valuation. But the second valuation was an automated valuation, likely based on general increases in property values in Mr and Mrs D's local area. The initial valuation was a more detailed valuation carried out by a suitably qualified independent surveyor.

While I understand Mr and Mrs D's concerns about the difference in value, in my experience the valuation carried out by the surveyor is more likely to be an accurate valuation of the property, taking into account the renovations they'd carried out. NatWest has confirmed it ought to have used the value given by the initial valuation – and that in any event Mr and Mrs D could have appealed the second valuation if they disagreed with it.

Debt consolidation

I don't think that NatWest would be required to set out each and every part of its lending criteria. Ultimately it was giving Mr and Mrs D mortgage advice, so it had to recommend a mortgage that was appropriate for their needs and circumstances. It was unlikely to be in Mr and Mrs D's interests for them to consolidate unsecured debt that had a lower interest rate than the mortgage as it would likely be more costly for them overall.

Conclusion

It's clear that NatWest did not always communicate with Mr and Mrs D in a way that was clear, fair and not misleading. That and the error with the valuation has clearly caused Mr and Mrs D a great deal of stress and worry. But in all the circumstances, and taking into account our guidelines for this type of award, I consider that £150 is a fair amount to reflect any stress and worry caused by the error.

I say that as while I understand Mr and Mrs D's worry that their property is worth less than they thought, NatWest explained that the original higher valuation was correct and ought to have stood shortly afterwards.

My final decision

My final decision is that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY's offer to pay Mr and Mrs D £150 and to refund the valuation fee of £102 is a fair way to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 21 October 2025.

Ken Rose
Ombudsman