

The complaint

Mr and Mrs P are unhappy that Bank of Scotland trading as Halifax used a desktop valuation when offering them a product transfer in January 2024. They believe this was unfair and that they lost out as a result.

What happened

Mr and Mrs P originally took out a mortgage with Halifax in 2020. They borrowed around £400,000 over 34 years, on a repayment basis. The initial interest rate was 2.68% fixed until 31 December 2023.

In 2023, Mr and Mrs P began exploring their options for when their original interest rate deal expired. Through a broker, they explored both a product transfer with Halifax, as well as re-mortgaging with a different lender.

In all of the product transfer offers produced by Halifax, the property value was noted as £560,135, which was based on a desktop valuation. This type of valuation is done without visiting the property, and is based on data such as property sales in the area. In a re-mortgage offer with a different lender, the property value was noted as £660,000.

Mr and Mrs P accepted the Halifax product transfer offer dated 4 January 2024, and the new rate came into force in February 2024.

In February 2025, Mr and Mrs P complained to Halifax that the desktop valuation it had used to inform the loan to value (LTV) ratio for the product transfer, didn't take account of significant work that had been undertaken on their property. Mr and Mrs P said that the same company that produced the desktop valuation, had carried out a full (in person) valuation as part of the re-mortgage with the different lender, and this had produced a significantly higher valuation.

Mr and Mrs P said they didn't think this was fair, and that Halifax ought to have used the higher valuation figure for the product transfer, which would've meant a lower rate of interest being charged on their new product.

Mr and Mrs P said they wanted Halifax to re-calculate their loan based on the lower interest rate that should've applied, and to update the valuation figure it holds on its systems.

Halifax didn't uphold the complaint. In summary, it said that a full valuation isn't part of its product transfer process, and that instead a desktop valuation is used. It noted that the application had been made through a broker, and it said the broker should've explained the process to Mr and Mrs P.

It also said there was a valuations appeals process, which the broker ought to have known about, and told Mr and Mrs P about, but no appeal was received.

Halifax said it couldn't amend the valuation figure, but that for any future application, it would be best for Mr and Mrs P to make any valuation concerns known to the Halifax agent, so this

could be taken into account.

Mr and Mrs P referred their concerns to the Financial Ombudsman Service. An Investigator here issued an assessment of the case. In summary, they didn't think Halifax acted unfairly. Mr and Mrs P disagreed, and the case has been passed to me to decide.

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.

Having done so, I've reached the same outcome as the Investigator, and for broadly the same reasons. Before I explain why, I want to set out the purpose of my role. It isn't to address every single point that's been made to date. Instead, it's to decide what's fair and reasonable given the circumstances of this complaint.

For that reason, I'm only going to refer to what I think are the most salient points when I set out my conclusions and my reasons for reaching them. But, having considered all of the submissions from both sides in full, I will continue to keep in mind all of the points that have been made, insofar as they relate to this complaint.

The key here is whether it was reasonable for Halifax to rely on a desktop valuation figure when making its product transfer offer. I consider that it was.

I appreciate Mr and Mrs P's perspective that the full valuation (carried out by the same company that did the desktop valuation) when they were exploring a re-mortgage with a different lender, would be considered more accurate than the desktop valuation that Halifax relied on. Particularly considering they've said the property was improved, including an increase in size.

However, there's no requirement on a lender to carry out a full valuation in this situation. Halifax's process for product transfers was to use a desktop valuation. There's nothing inherently wrong or unfair about that. Halifax has explained it did have an appeals process for valuations in the context of product transfers. However, it says (and its records support) that the offer it issued on 4 January 2024 was accepted straight away, and that no appeal was received. I note the complaint wasn't raised until over a year later.

Because the product transfer was arranged through a broker, the onus was on the broker to make Mr and Mrs P aware of the appeals process.

Because I haven't found that Halifax has made an error or acted unfairly, there are no grounds upon which I can reasonably direct it to retrospectively alter the valuation figure, or adjust the balance and payments as though a lower LTV product applied.

I'm sorry to disappoint Mr and Mrs P, but for the reasons I've explained, I don't consider that Halifax needs to do anything further.

My final decision

My final decision is that I don't uphold Mr and Mrs P's complaint about Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 28 October 2025.

Ben Brewer
Ombudsman