

The complaint

Mr K complains about the actions of Bank of Scotland plc regarding the repossession and sale of his property. He believes they failed to secure a fair market value breaching their duty to act in good faith and obtain the best price reasonably available.

What happened

Mr K took out a mortgage with Bank of Scotland in January 2005 for £151,000 including fees, over a term of 20 years on an interest only basis.

Mr K fell into financial difficulty during 2022 and was unable to keep up with his contractual monthly payment (CMP). Bank of Scotland were granted a possession order by the court in September 2023 and Mr K's property completed its sale in December 2024 for £102,500.

The property was sold for less than the outstanding balance so there was a shortfall of £86,419.85.

Mr K was unhappy as he believes that Bank of Scotland failed to secure a fair market value of the property which has now resulted in a shortfall. He also thinks that the property was overvalued when he originally had it valued in 2004.

Bank of Scotland said that they obtained two independent valuations on the property, and both gave a value of £100,000. The property sold for £102,500 therefore they didn't think they had done anything wrong.

Mr K brought his complaint to the Financial Ombudsman Service where it was looked at by one of our investigators who didn't uphold the complaint. She didn't think that Bank of Scotland did anything wrong in relying on the valuation in 2004 which was carried out by a suitably qualified surveyor. She also said that Bank of Scotland had obtained two valuation reports and they were entitled to rely on those. When taking all of Mr K's arguments into account, she was satisfied that Bank of Scotland acted reasonably.

Mr K didn't agree and provided comments detailing historical context regarding the valuation from 2004 against the 2024 sale price of the property. He made some comments regarding the market performance for the area that his property was located, along with comments regarding the market conditions in 2024. He believes the valuer disregarded compounding growth without taking into consideration market growth in respect of the location of the property.

Mr K said Bank of Scotland didn't obtain the best reasonably attainable price as they ignored the 2004 valuation and 20 years of market growth and accepted valuations diverging by 11.1% and disregarded contemporaneous sales achieving 50% plus premiums.

He would like financial redress for the £100,000 plus shortfall versus the 2024 market value, an audit into the valuer's local expertise and a formal acknowledgement that the sale breached Financial Conduct Authority guidelines.

As Mr K disagreed with the investigator, 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 have come to the same conclusion as the investigator, and I'll explain why.

For clarity, the investigator has already concluded that we are able to consider the valuation from 2004 which I agree with.

Bank of Scotland instructed a suitably qualified surveyor to value the property for mortgage purposes in 2004. This valuation would enable Bank of Scotland to determine if the property was suitable security for them to lend on. I have looked at this valuation report and the valuation was based on a site inspection as the property was a new build at the time and wasn't yet complete. The property was given a value at completion of £177,650.

This valuation was carried out by an independent and suitably qualified surveyor for the benefit of Bank of Scotland who were entitled to rely on that valuation as they are not experts in this field. Bank of Scotland haven't done anything wrong in relation to this.

Moving on to more recent events, Mr K fell into financial difficulty in 2022 and from August 2022, no further payments were made to the mortgage account. Having looked at the contact notes that Bank of Scotland have provided, I can see since August 2022, there had been no contact from Mr K despite Bank of Scotland writing to him.

In May 2023, Mr K contacted Bank of Scotland letting them know he was intending on selling the property as he was unable to clear the arrears on the mortgage. The property wasn't a buy to let but Mr K said there were tenants living in it so needed to give them notice. It appears from the notes that there were some delays in Mr K trying to market the property and also issues with the tenants who would not vacate the property. Bank of Scotland then obtained a possession order in September 2023.

Bank of Scotland obtained two independent valuations of the property one being carried out by an estate agent and the other a suitably qualified surveyor. Both valuations valued the property at £100,000. Bank of Scotland received seven offers on the property ranging from £80,000 and £102,500 and they agreed the sale price for £102,500.

Mr K says that other properties have sold for a lot more therefore Bank of Scotland haven't tried to obtain the best market value. Bank of Scotland have relied on experts to carry out valuations which also show comparable properties. The one completed by a suitably qualified surveyor noted comparable properties but commented that they were in a better condition than Mr K's property. The valuer also made a comment to say they require a suitable cladding report to include any work that is required. So there seem to have been other issues that may have affected Mr K's property.

However, putting that to one side, Bank of Scotland were entitled to rely on the valuations they received as these were conducted by professionals in that field which Bank of Scotland were not. The property sold for the highest offer that was received so I can't agree with Mr K that Bank of Scotland have acted unreasonably here.

There is now a shortfall as the outstanding balance was more than the property had sold for. I've looked at the balance of the mortgage account and it included any fees added, interest charged, and ground rent was also payable. There is nothing on here that suggests the shortfall is incorrect.

For completeness, I'll explain to Mr K that our service does not have jurisdiction to audit surveyors or their firms as the only actions I have taken into consideration, are those of Bank of Scotland.

I appreciate Mr K's strength of feeling about this complaint, but having reviewed everything, I am satisfied that Bank of Scotland have acted fairly and reasonably in the circumstances of this complaint.

My final decision

For the reasons given above, I don't uphold his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 November 2025.

Maria Drury
Ombudsman