

The complaint

Mr B and Miss T complain that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) refused an application for further borrowing on their mortgage and misled them about being able to disagree with a valuation.

What happened

Mr B and Miss T have a mortgage with NatWest. In 2023, the property was valued at £217,500. Following some home improvements, Mr B and Miss T believed the value was now £247,000. They applied to NatWest for a further advance of £30,000.

NatWest instructed a surveyor to visit the property and carry out a new valuation. The surveyor said the property was worth £225,000. NatWest said this meant it couldn't increase the amount it would lend Mr B and Miss T because doing so would exceed the maximum loan to value.

Mr B and Miss T were unhappy with that. They contacted NatWest to dispute the valuation and explain why they believed it was wrong. They say – in a phone call on 2 April – it told them they could challenge the valuation. They therefore sought three valuations of their own, all of which confirmed that the property was worth around £245,000. But NatWest would not consider their valuations. It said it would only take into account what its own surveyor said, and based on that it couldn't offer them further borrowing.

Mr B and Miss T complained. They said they didn't believe the valuer had done a thorough assessment of their property and they had concerns about the valuation. They had been told they could challenge it and had sought their own valuations, only for NatWest to disregard them. This has left them in a difficult position. They have already invested around £20,000 in renovations to the property. And they had paid for architectural and engineering advice, and applied for planning permission, in the expectation of having further work done.

NatWest agreed that it had misled them on the 2 April call, by incorrectly saying they could challenge the valuation. It offered £100 compensation for that. But it didn't agree that it had treated the application unfairly. Our investigator thought that was a fair offer. Mr B and Miss T didn't agree and asked for an ombudsman to review their complaint.

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.

Mr B and Miss T say that since moving into the property they have replaced the boiler and the bathroom, they have restored period features, added insulation and improved the electrics. But the valuer didn't ask them about this or take the works they'd done into account.

The valuer's report says that the valuer was a qualified surveyor. The valuer took into account Mr B and Miss T's estimated value of £247,000, but concluded it was too high and

valued the property at £225,000.

I've listened to the calls on 2 April. Miss T called in to find out the outcome of the valuation and mortgage application. NatWest said there was no update yet and to check back if she hadn't heard anything by the end of the week. Miss T asked if the valuation had been received and what the value was. She said they had spent money on improvements, but the valuer hadn't looked at that and was from a firm that doesn't sell property in the area so might not know the local market. The agent said the valuation hadn't been added to the system yet so he couldn't see it.

Miss T called back later that day. This time NatWest said the property had been valued at £225,000, which meant further borrowing would exceed the maximum loan to value. Miss T said the valuer didn't check with them about the work they had done, and hadn't checked in every room in the house. She said the valuation was much lower than it should have been. NatWest said that even if their expected value was correct it still wouldn't be able to lend, because at £247,000 the loan to value with additional borrowing would be 90%, but the maximum it allows on further borrowing is 80%. The agent said the valuation could be challenged. She asked if Miss T had had local estate agents value the property. She said Miss T should get a second opinion from an estate agent, call back, and the valuation could be challenged.

The agent on the later call did make some mistakes. She said the maximum loan to value was 80%, when it's actually 90% (it's only 80% when the borrowing is for debt consolidation). And she led Miss T to believe that the valuation could be challenged – when that wasn't in fact the case.

The valuation was carried out by a qualified surveyor (not, as Miss T thought on the call, an estate agent). As a qualified professional, it's reasonable for NatWest to have relied on their expert opinion. If there were reasonable grounds for suggesting the valuer had made a mistake – such as getting factual information about the property wrong – I'd expect NatWest to put that to the valuer to see if it changes their opinion. But that wasn't the case here.

I appreciate Miss T said the valuer didn't do a thorough inspection. I can't comment on the valuer's actions. But I don't think the estate agents' appraisals Mr B and Miss T obtained showed the valuer got it wrong. An estate agent's appraisal is an estimate for marketing purposes of the amount to put a property on the market for in the hope of achieving a sale – not a professional opinion of its current worth. And some of the factors Mr B and Miss T cited, such as a new boiler and a new bathroom, don't have a significant impact on the value of a property. Miss T also said that the valuation didn't fit with what properties were being marketed for – but a valuation is based, in part, on comparisons with completed sales, not with asking prices.

I'm sorry Mr B and Miss T weren't able to borrow the further money they wanted to carry out the further works they'd planned. I don't think NatWest is responsible for the money they spent on plans and planning permission; it was their choice to incur those costs without knowing they had funding in place, and nothing I've seen suggests that NatWest misled them about the chances of their application being granted.

Putting things right

I do think NatWest's mistakes on the second call on 2 April caused upset. It's reasonable that it compensates them for that. But it didn't cause financial loss, and NatWest put things right by telling Mr B and Miss T the correct position quickly. The mistakes also had no impact on the outcome of their application, which had already been declined by then based on the valuation. That was a decision it was entitled to make. In all the circumstances, I think its

offer of £100 compensation is fair.

My final decision

My final decision is that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY should pay Mr B and Miss T £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss T to accept or reject my decision before 13 January 2026.

Simon Pugh
Ombudsman