

The complaint

Mr C is unhappy about a valuation report carried out for NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) in relation to a mortgage application.

To settle the complaint, Mr C would like the Financial Ombudsman Service to decide whether NatWest’s processes and treatment of him were fair. Mr C also wants the bank either to reconsider the application with a different valuation, or provide redress for the financial loss Mr C says he has suffered.

What happened

I don’t need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it’s important I don’t include any information that might lead to Mr C being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision.

Mr C owns a property which he purchased as a new-build in February 2023, paying just under £250,000 for it. He bought the property with a mortgage from a different bank.

In April 2025 Mr C applied for a new mortgage with NatWest. There was approximately £207,000 outstanding on his existing mortgage. Mr C wanted to raise an extra £30,000 to use towards the purchase of a rental property.

As part of the application process NatWest appointed a surveyor to carry out a valuation on its behalf. The surveyor thought the property was worth £250,000. Mr C was surprised at this, given that he’d owned the property for over two years.

Mr C contacted the surveyor’s firm, which told him he could challenge the valuation. However, when Mr C contacted NatWest, he was told this wasn’t possible. Notwithstanding this, Mr C provided a further valuation of the property at £260,000 and estate agents’ valuations of between £265,000 and £275,000. However, NatWest still declined to reconsider the matter.

Mr C complained, but NatWest didn’t uphold the complaint, so he contacted our service. An Investigator looked at what had happened, but didn’t think the complaint should be upheld.

Mr C asked for an Ombudsman to review the Investigator’s findings. He’s made some further points, and I’ve summarised these.

Mr C is concerned that NatWest hasn’t treated him fairly. He is concerned that NatWest’s surveyor thought the property was only worth what he’d paid for it two years earlier. Mr C thought there might have been a conspiracy between NatWest and the surveyors to devalue the property in order to deny him the lending, and that this had had an impact on his mental health.

Mr C is also upset that NatWest wouldn't reconsider the matter, even after he'd provided evidence that the property was worth more than NatWest's surveyors had estimated. Mr C also says that he'd been advised to use the online application process, but if he'd used a broker, the valuation issue wouldn't have arisen in the first place.

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 C has made very detailed submissions in response to the Investigator's findings, responding line-by-line to what the Investigator said. However, my role isn't to address every single point that's been made; instead I have to decide what's fair and reasonable in the circumstances, taking an overview of what's happened.

For that reason, I'm only going to refer to what I think are the most salient points. But I confirm I've considered everything Mr C and NatWest have said, and will continue to keep in mind all the points that have been made, insofar as they are relevant to the outcome of the complaint.

I've given careful consideration to all the points Mr C has made. Having done so, I've reached the same conclusion as the Investigator, for broadly the same reasons.

NatWest doesn't carry out its own valuations when considering mortgage applications. Instead it contracts these out to qualified surveyors who have the expertise to value properties. NatWest is required to ensure that the surveyor appointed is suitably qualified. In this case, the surveyor is a Member of the Royal Institution of Chartered Surveyors (MRICS), and so I'm satisfied he was suitably qualified.

Given this, NatWest was entitled to rely on his opinion that the property was worth £250,000 when he valued it in early May 2025. I acknowledge Mr C disagreed with this. I've looked at the evidence he's provided which he says shows the property is worth more than £250,000. One is a valuation from a surveyor who is also a MRICS, and he thinks the property is worth £260,000. I've also noted the estate agents' valuations that the market value of the property between £265,000 and £275,000.

There has been significant case law in relation to mortgage valuations. The approach taken by the courts is that a tolerance of up to 15% is allowed and accepted as reasonable by both the courts and the RICS. The £260,000 valuation from Mr C's surveyor is well within that tolerance.

The marketing estimates from estate agents are not the same as valuations for mortgage purposes. Estate agents will generally market a property at a higher price than they think the property is actually going to sell for. So whilst I acknowledge Mr C's optimism that estate agents valued the property at more than his own surveyor, this isn't indicative of the value of the property for mortgage purposes.

In addition, Mr C purchased this property as a new-build, for the price of £250,000. Generally new properties are more expensive than older homes, to offset the developer's costs of new fittings, warranties and construction costs. It's therefore not unreasonable for the property not to have appreciated significantly in value since it was purchased, as any valuation will reflect current market conditions, rather than the developer's asking price for a brand new property.

Current online listings for similar (or larger) properties on the same estate as Mr C's home show them to be for sale for between £220,000 and £250,000, which doesn't suggest to me that NatWest was wrong in May 2025 to rely on its surveyor's opinion, or that it should have questioned whether it could reasonably rely on the valuation.

I've noted what Mr C has said above NatWest's processes and that it was unfair of the bank to decline to revisit the matter, even after he'd provided his own valuations. But I'm not persuaded NatWest is under any obligation to second-guess the opinion of its own expert.

Mr C is concerned that NatWest and the surveyor conspired to decline his application, and he says this has had an effect on his mental health. I can understand that Mr C was upset that he wasn't able to get a mortgage through NatWest. He's not provided any medical evidence to persuade me that NatWest or its surveyor have caused Mr C any health issues. There would also be no benefit to NatWest conspiring with its surveyor to decline a mortgage application; the bank's business model is based on it *offering* mortgages to people in order to earn money from the interest charged, rather than declining applications for no reason.

Overall I'm satisfied NatWest considered the application fairly, after being advised by its own surveyors of the property's value. I can't tell the bank what procedures it must put in place to process mortgage applications, but the evidence persuades me that NatWest acted in line with its regulatory obligations when it considered Mr C's application. I'm therefore unable to conclude that the bank treated Mr C unfairly. The fact he applied directly rather than through a broker would make no difference, as a valuation would be required in any event.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 February 2026.

Jan O'Leary
Ombudsman