

The complaint

Mr M complains that the valuer instructed by Clydesdale Bank Plc trading as Virgin Money undervalued his property when he applied for a mortgage. Mr M asks that Clydesdale increases the valuation or pays compensation.

A family member (who I'll refer to as Mr M2) has dealt with the complaint on behalf of Mr M.

What happened

Mr M applied to Clydesdale for a buy to let mortgage in late 2024. He wanted to refinance his existing buy to let mortgage with another lender.

Clydesdale instructed a valuation. The valuation was lower than Mr M expected. Mr M appealed but the valuer didn't agree to change their valuation.

Mr M2 says as a result of the lower than expected valuation, Mr M had to pay a significant sum (about £18,000) to reduce the loan to value ratio. Mr M had to take out an interest rate product in a higher loan to value bracket. And the low valuation prevented Mr M refinancing with other lenders.

Mr M2 says he has experience of the industry and is aware of problems with valuations. He says the valuation is not fair.

Our investigator said Clydesdale instructed a suitably qualified valuer and was entitled to rely on the valuation.

Mr M2 said the property was purchased for about £350,000 less than 10 years ago. He said the low valuation was vindictive and his comparables were relevant. He says it's wrong for Clydesdale to accept the valuation and the valuer should have to justify his position, with his own comparables.

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.

Clydesdale is entitled to instruct a valuation to help it make a lending decision as to whether the property is suitable security. Clydesdale instructed a firm of surveyors, and I think they were suitably qualified. I think it's reasonable for Clydesdale to rely on the expert opinion of the valuer. I can't see that there's an obvious error with the valuation that would make this unreasonable.

Clydesdale said Mr M could appeal the valuation. I think this was fair. The valuer said the comparables provided were too old and not relevant. The valuer said they'd used comparables sold within the previous 10 months. They didn't change their valuation.

Mr M2 says the property was purchased less than 10 years ago for about £350,000. It must be disappointing that the valuation was less than this. But I don't think this is because of any

error by Clydesdale.

Mr M decided to proceed with Clydesdale, with a smaller loan and an 80% LTV product. As the mortgage funds were less than the mortgage being refinanced, Mr M had to provide funds to clear the existing mortgage. This didn't cause a loss to Mr M, as the money was used to repay money that he owed.

Under our rules, the eligible complainant is Mr M. We can't usually require respondents to pay compensation to third parties (such as Mr M2) or for a third party's loss. If Mr M2 is out of pocket as a result of providing funds to Mr M this isn't something I could fairly require Clydesdale to pay compensation for.

Ultimately, if Mr M wasn't happy with the terms on which Clydesdale was prepared to lend, he could have stayed with his existing lender or applied for a mortgage elsewhere. It's unclear how the valuation carried out on behalf of Clydesdale could have prevented this. Other lenders would have instructed their own valuations.

I don't think Clydesdale made an error here. So I don't think it's fair and reasonable to require it to increase the valuation of Mr M's property, pay compensation or take further steps regarding this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 November 2025.

Ruth Stevenson
Ombudsman