

## The complaint

Ms G's complaint relates to a re-mortgage application she made to Godiva Mortgages Limited. She is unhappy that her application was declined and has said that delays caused by Godiva resulted in her having to pay a higher interest rate on her existing mortgage and caused her a lot of stress.

## What happened

In the autumn of 2024 Ms G sought assistance from an independent mortgage broker to arrange a re-mortgage of a buy-to-let property she owns. Ms G's existing mortgage had an interest rate product attached to it, which was due to expire on 31 December 2024.

The broker recommended a mortgage with Godiva and an application was submitted on 25 October 2024. Godiva commissioned a valuation the same day. The valuation was completed on 13 November 2024, and it established that the property was outside of Godiva's lending criteria.

Ms G's broker was told that the application had been declined by telephone and email on 13 November 2024. Godiva received an appeal to the valuation the following day as Ms G didn't agree with the description of the property – specifically the number of stories in the block. This was forwarded to the valuer for consideration and comment. The valuer confirmed on 20 November 2024 that Ms G's comments did not change its decision that the property didn't meet Godiva's lending criteria. This decision was communicated to Ms G's broker the following day and Godiva asked if Ms G wanted to complain about the decision.

On 22 November 2024 Ms G complained about the decision that had been made, but the email unfortunately went into a spam fold at Godiva. Godiva chased a response with the broker on 26 November and 5 December 2024, at which time it was confirmed that the broker was no longer acting for Ms G, but that it understood she'd already applied for a re-mortgage using a different broker.

Ms G sent Godiva a copy of her complaint email on 5 December 2024 and a complaint was set up by Godiva. It confirmed this to Ms G the following day.

Ms G has told us her existing mortgage reverted to a higher interest rate on 1 January 2025. She's told us that she incurred fees and additional interest because of what she considers is Godiva's mistake. In addition, she's told us that the interest rate product she's taken with the new lender has an ERC, which the one with Godiva did not have.

Godiva responded to the complaint regarding the decision to decline the application on 3 January 2025. It didn't uphold the complaint relating to the valuation and its decision to decline the application. In relation to the fact that Ms G's initial complaint email had gone into a spam folder, delaying her complaint being set up, it sent her a cheque for £25 to compensate her for the inconvenience this had caused her.

Godiva responded to the concerns that had been raised about the way the complaint had been handled in a separate response on 3 February 2025. It didn't uphold the complaint,

other than in respect to the delay in the complaint being set up, and considered that the £25 already offered was appropriate compensation. This was later increased to £50, to account for a second email that went to a spam account. The compensation was paid in March 2025.

Ms G applied for an alternative re-mortgage and an offer was made by the new lender on 20 December 2024.

Ms G was not satisfied with the responses she received from Godiva and asked us to consider her complaint about the valuation report, as she considered it was wrong and she thought Godiva's actions when this was raised with it, were inadequate. She also told us that Godiva had acknowledged that the description of her property contained in the valuation report was wrong.

One of our Investigators considered the complaint, but she didn't recommend that it be upheld.

Ms G did not accept the Investigator's conclusions and asked that the complaint be referred to an Ombudsman for consideration. She said that the Investigator had not understood her complaint, as she had treated it as a disagreement with the lending decision, rather than a procedural and professional failure on Godiva's part. Ms G confirmed that her concerns were:

- The valuation report Godiva commissioned described her property incorrectly.
- Godiva's reliance on the valuation report was unreasonable.
- Godiva failed in its oversight of the valuer.

Ms G said that the individual surveyor who had signed the valuation report was not appropriately qualified and it had not been checked that he was appropriately supervised. As such, the report should not have been relied on.

Ms G went on to explain why she considered the valuation report was incorrect and she considers that Godiva should have identified that it contained an error. In addition, she doesn't consider that being told that she could have commissioned her own valuation if she disagreed with the one Godiva had obtained provided a genuine safeguard for Godiva's customers. Furthermore, as she was not presented with that option until early January 2025, it was too late for her to be able to act on that option. Ms G confirmed that the delay in the complaint being registered by Godiva meant that there was a delay in her being able to start the process of applying for an alternative mortgage, and so it was responsible for the loss she had suffered due to her mortgage moving on to a higher interest rate.

The Investigator considered Ms G's comments, but as they didn't change her conclusions, the complaint has been passed to me for consideration.

### **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.

The mortgage applied for by Ms G was a buy-to-let one, for investment purposes. It is a commercial mortgage and unregulated, and so the protections in place for consumers with residential mortgages don't apply. That said, when reviewing this complaint, I have looked at what happened to decide whether, bearing in mind any relevant law, and good industry practice, Godiva acted fairly and reasonably.

I would also confirm that lenders are not property experts. As such, when they receive an application for a mortgage, they require an independent expert to assess the property to see if it is suitable security for the amount of money the applicant has asked to borrow. When a lender appoints an appropriately qualified expert to complete that assessment it is entitled to rely on the expert opinion it receives.

Ms G has questioned the suitability of the individual who completed the valuation on her property, as he was not fully qualified. Godiva didn't select that individual to complete the valuation. Rather it commissioned surveying business to do so and I am satisfied that would be considered Godiva commissioning a suitably qualified expert. As for whether the surveying business has the necessary supervision and support in place for its trainees, that is a requirement of RICS and I don't consider that Godiva needed to check into this individual's supervisory arrangements.

As the Investigator explained, the content of the valuation report – the surveyor's conclusions about the property - doesn't fall within our remit. We would expect a lender to have some form of appeal process in place if the borrower believed the valuation was wrong. That will usually take the form of the prospective borrower being allowed to explain what they think is wrong, and their comments being referred to the surveyor to consider. That is what Godiva did in this case and so I'm satisfied that it acted appropriately in the circumstances.

While Ms G is not happy about how Godiva operates in relation to valuations it commissions, it's not for me to tell a business what processes to have in place. That's a matter for the industry regulator – the Financial Conduct Authority.

I know that Ms G believes that Godiva should have considered what she had to say and made a decision about whether the surveyor was right in his interpretation of how many floors were in the building, based on RICS' guidance. However, that's not something I would expect a lender to do. As I have already said, lenders are not property experts and would certainly not be in a position to question the interpretation of any guidance or requirements set by an independent professional body, especially when that interpretation was made by a member of that body.

Ms G will not agree with me, but I am satisfied that Godiva appointed a suitably qualified expert to assess whether her property was suitable security for it and that it was entitled to rely on that opinion. Godiva has provided its lending criteria, and I am satisfied that the decision to decline the application was in line with those criteria. When Ms G raised her concerns about the valuation, Godiva acted appropriately by referring the comments to the surveying firm for its consideration. When the decision remained the same, I don't consider that Godiva was wrong to maintain its decision to decline Ms G's application.

I have noted Ms G's comments about Godiva breaching GDPR. We can consider the general service that Ms G received from Godiva during the consideration of her application, and in some circumstances, we may be able to consider the service associated with the handling of the complaint. However, if Ms G wants a judgement on whether Godiva breached the regulations, that question would be more appropriately directed to the Information Commissioner's Office.

As for the complaint handling, as the Investigator explained complaint handling is not something that falls within our remit in most cases. We're able to consider concerns about complaint handling in some limited circumstances, for example, if we're upholding the underlying complaint that a consumer believes was mis-handled. Here, however, I haven't upheld the underlying complaint, which means I don't have the power to consider Ms G's concerns about the ancillary issue; how Godiva handled the complaint.

That said, I would comment that the complaint handling, including the initial registration of the complaint, would not have stopped Ms G from looking for an alternative mortgage. She had been told twice by 21 November 2024 that her application had been declined. If she then decided to await the outcome of the complaint before considering alternative options, that was a decision she was entitled to make, but I can't hold Godiva responsible for the consequences of that choice.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms G to accept or reject my decision before 23 March 2026.

Derry Baxter  
**Ombudsman**