

## The complaint

Mr E's complaint is that Aldermore Bank Plc unfairly declined his application to re-mortgage a multi-unit buy-to-let (BTL) property, which Mr E says was due to an inaccurate valuation carried out by surveyors appointed by Aldermore.

To settle the complaint, Mr E would like Aldermore to refund the valuation fee of £625, pay a fee of £495 to his mortgage adviser and pay compensation of £250 for a four-week delay in his re-mortgage.

Mr E is represented in the complaint by his mortgage broker, but for clarity I will refer to Mr E throughout as if all submissions have been made by him.

## 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 E 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.

In February 2025 Mr E applied to Aldermore for a commercial mortgage on one of his BTL properties. This was a property split into a number of rental units referred to as A, B and C. As part of the application process Aldermore instructed a surveyor to carry out a valuation for mortgage purposes. Mr E paid the fee of £695 required for this.

The surveyor did not think Unit B met Aldermore's lending criteria for a multi-unit property on the basis that it wouldn't be mortgageable by a high street bank. As a result, the surveyor didn't consider the property was suitable security for the mortgage Mr E had applied for. Aldermore declined the application. Mr E challenged this, saying that he wasn't applying to a high street bank. Aldermore referred the matter back to its surveyor, whose opinion that the property wasn't suitable security remained unchanged.

Mr E complained, but Aldermore didn't uphold the complaint and so Mr E referred his complaint to our service. Initially, and due to Aldermore not providing information requested by the Investigator, the complaint was upheld. The Investigator asked Aldermore to refund the valuation fee of £695, pay Mr E's broker fee of £495, pay £250 for inconvenience and reconsider Mr E's application. However, Aldermore didn't agree with the Investigator's findings and provided a full response.

The Investigator reconsidered the matter and, having done so, revised his initial conclusions. He didn't think Aldermore should refund the valuation fee or broker fee, or that Aldermore was required to reconsider the application. However, the Investigator thought that Aldermore's communication could have been better in explaining the reasons why the application had been declined. He thought that £250 compensation was appropriate for this.

Aldermore accepted the Investigator's findings and agreed to pay the £250 recommended by the Investigator, but Mr E did not and asked for an Ombudsman to review the 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.

When reaching my decision I have to take into consideration the evidence, as well as good industry practice and relevant law. Having done so, I've reached the same conclusion as the Investigator, for broadly the same reasons.

Aldermore is entitled to set its own lending criteria. Decisions that Aldermore makes in respect of what those criteria are, its attitude to risk involved in this particular lending assessment, and whether it should lend and if so, on what terms are clearly discretionary matters for its own commercial judgement that I would not interfere with. Aldermore has provided details of its internal lending policy and lending standards, which I am entitled to treat as confidential, as these are commercially sensitive documents.

Aldermore's duty is to appoint a suitably-qualified person to carry out the valuation. The valuation was carried out by a Member of the Royal Institution of Chartered Surveyors, and so I'm satisfied Aldermore has fulfilled its duty in this respect.

This was an unregulated BTL mortgage and the valuation was carried out solely for Aldermore's purposes, as part of the application process to enable the bank to decide whether or not to make a mortgage offer to Mr E. Aldermore declined the application after taking advice from its surveyor.

As I said above, I am required to take into account relevant law, so I've noted what the courts have said. There is case law that specifically addresses the issue of mortgage valuations on BTL properties.

In the case of *Scullion v Bank of Scotland [2011] EWCA Civ 693* the Court of Appeal provided a clear demarcation between residential and investment purchases. The issue in question in *Scullion* was whether a surveyor providing a valuation report to a mortgage lender for a BTL mortgage owed any duty of care to the borrower.

The Court of Appeal was unanimous in deciding that a surveyor who provides a valuation report for a BTL lender does not owe the borrower a duty of care. This is because the courts consider the purchase and mortgage of a BTL property to be a commercial venture. Given this, although it was Mr E who paid the valuation fee, the surveyors were acting only for Aldermore, not Mr E.

Although I can depart from the approach followed by the courts if I think it's fair and reasonable, I don't intend to do so here. Aldermore was entitled to rely on the expertise of the surveyors in relation to the valuation. I'm also satisfied it was reasonable – and beyond what Aldermore was required to do in relation to unregulated BTL mortgages – for Aldermore to ask the surveyor to revisit the valuation after Mr E challenged it.

However, the surveyor didn't depart from his initial conclusion and provided justification for this, upon which I'm satisfied Aldermore was entitled to rely. I'm therefore not persuaded there is any basis on which it would be fair or reasonable for Aldermore to be ordered to compensate Mr E for the valuation fee he paid or the broker fee he said he would incur to arrange a mortgage elsewhere. In addition, I'm not persuaded Aldermore is required to reconsider the application.

I agree with the Investigator, however, that Aldermore's communication could have been clearer and that this caused Mr E some inconvenience. Aldermore's reference to the property not being mortgageable through high street banks wasn't relevant, as this wasn't an application to a high street bank, but to a specialist commercial lender. But overall this didn't mean that Aldermore's decision to decline the application was incorrect, as it didn't meet the bank's lending criteria in any event.

### **Putting things right**

For the inconvenience caused to Mr E for the lack of clarity in its communication about the declined application, I direct Aldermore Bank Plc to pay Mr E compensation of £250. I think this is fair, reasonable and proportionate in all the circumstances of the complaint.

### **My final decision**

My decision is that I uphold this complaint in part. I direct Aldermore Bank Plc to settle the complaint as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 5 February 2026.

Jan O'Leary  
**Ombudsman**