

## The complaint

L, a limited company, complains about what happened when it applied for a mortgage with The Mortgage Works (UK) Plc (“TMW”). L said things took far too long, and TMW made a number of significant mistakes, including undervaluing the property and losing documents.

## What happened

Mr and Mrs L told us they were selling their family home to a company they owned, L, and using the funds raised to move elsewhere. L would rent the property out after this. This complaint is brought by Mr and Mrs L on behalf of that company L, about what happened when L applied to TMW for a Buy To Let (“BTL”) mortgage.

Mr L said it took TMW an exceptionally long time to approve L’s mortgage. L started its application in July 2024 and only completed in October 2024. Mr L said TMW at first valued the property higher, but then revised down the valuation by about £100,000 which also reduced the amount TMW was prepared to lend. Mr L said this would have a significant financial impact on L’s directors. He wanted to know how TMW had calculated its second valuation of the property.

Mr L said TMW sent repeated queries, and he and his broker answered them, but he said TMW lost the documents he sent, containing huge amounts of personal information. He wanted to know how this had been allowed to happen.

Mr L said TMW’s service was woeful, it didn’t respond promptly or properly to any of his queries, and when he asked for a subject access request, it sent documents he couldn’t read. He complained, and TMW offered him £350, which he said didn’t come close to reflecting the impact on him and Mrs L. So they wanted us to look into things for them.

TMW said when it had valued the property, it had found issues with cladding which needed to be resolved, and concerns around the level of the service charge. It accepted that it hadn’t directly raised the service charge issue with L at the same time as seeking clarification on how the cladding issues were being resolved. It said that caused a delay of around a month or perhaps five weeks in alerting the broker and solicitor to this, although it said the solicitor should have checked whether the service charge was acceptable. But overall, TMW accepted this issue could have been resolved earlier if it had been raised earlier.

TMW said it hadn’t changed the valuation it assigned to the property. At first, it used the previous purchase price and requested borrowing amount which L gave as part of its application, when it was processing the initial paperwork for the application. But it then received a valuation which was much lower than this.

TMW said it relied on the professional opinion it had obtained. That lower valuation meant it could only offer rather less borrowing than L had wanted. But TMW said it had never offered L more than this. It only made one offer here, and it only got one valuation.

TMW said L could have appealed against the valuation, but didn’t do so as L felt it didn’t have enough time.

TMW said despite the delay, it did issue an offer by 26 September 2024, which was in time for L's deadline. It had offered £350 in compensation for its delay, and thought this was fair for this complaint.

TMW said it had no record of having lost any of L's documents. It told us Mr L had raised a subject access request, and when Mr L said he couldn't open the file that TMW issued, it sent another. TMW said it could only assume Mr L had been able to open that, because it hadn't heard from him again.

Our investigator didn't think this complaint should be upheld. He said we can't comment on the actions of the valuer, as they don't fall within our jurisdiction, but he also couldn't see that TMW had commissioned or received more than one valuation. He said the resulting value was less than L had suggested, but this was the only valuation TMW got.

Our investigator did think TMW should have alerted L to its concerns about the service charge straight after the valuation was done, at the same time as it raised the issue of the cladding. But he said this was mentioned in the valuation report, which was sent to the broker. If the broker had reviewed this, that could also have prevented the delay. He said there were times when TMW took longer to review L's documents that it had indicated it would take, and L's broker contacted TMW repeatedly to chase for an update.

Our investigator said this clearly had an impact on Mr and Mrs L, who were both the sellers of the property and the directors of L, the body applying for the mortgage. But he said we can only look at the impact of these issues on L, we can't take into consideration the distress and inconvenience the delays would've caused Mr and Mrs L on a personal level.

Our investigator said that when we are considering the impact on L, again we cannot compensate the directors personally or make an award for distress they've incurred themselves. We can only take into account any impact on L itself, and a legal entity (like L) can't experience distress. He said the directors of L had to spend some time chasing the mortgage application, but he thought the amount of £350 which TMW had already offered was fair and reasonable and in line with our guidelines.

Mr L, on behalf of L, didn't agree. He raised a number of concerns, saying the valuation TMW relied on was significantly below market value, and he was confident that TMW's communications indicated an earlier, higher, valuation had been obtained. He said TMW had lost documentation, and we hadn't looked at this. Mr L also mentioned a number of regulations which he said TMW had not complied with, and stressed the harm that this had caused to L and him and Mrs L personally.

Our investigator didn't change his mind. He stressed that TMW isn't responsible for the valuation figure, and as long as it has instructed a suitably qualified professional, it is entitled to rely on the resulting report. He said that TMW's references to a valuation having "come back lower than estimated" and the maximum loan having been reduced, were in reference to its valuation being lower than to the estimate of value L gave in its application, and the borrowing TMW could offer being lower than the amount of borrowing L requested. TMW weren't responsible for either of those initial figures.

Our investigator said it looked as if the documents that Mr L thought TMW had lost, never reached TMW.

Our investigator said the regulations which apply to mortgages for homes the buyer will live in, don't apply to this application. This was a BTL mortgage, and those are unregulated. And he repeated that Mr and Mrs L didn't have a relationship with TMW in their personal

capacity, so he couldn't consider the impact on them personally. He suggested that Mr L should take up any concerns about data loss, or the subject access request information sent to him, with the Information Commissioner's Office ("ICO").

Our investigator said he couldn't take account of any loss to L because of a lower valuation, and he didn't think delays had led to L losing rental income.

Mr L wrote again to disagree. He said there was no evidence that documents hadn't reached TMW, and he didn't think TMW had investigated this. Mr L wanted L's complaint to be considered by an ombudsman, so the case was passed to me for a final decision. I then considered this case, and I reached a provisional decision.

### **My provisional decision**

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

L's complaint rests on three points –

- 1) The property was undervalued
- 2) TMW lost some documentation sent to it by L's broker
- 3) TMW took far too long to make an offer in this case, causing L financial loss

I will deal with each of these points in turn. Before I do so, I should note that Mr L also said that he had raised a subject access request, which he didn't feel TMW had complied with. As that request was raised by Mr L personally, it would be difficult for our service to consider it here, as part of a complaint brought by his company. However, I understand Mr L intends to raise this with the ICO, so I will not address that point here.

#### *Property valuation*

Mr L said he'd understood TMW had at first valued the property at the same level he had, and this figure was only reduced after a second valuation was completed. But I have not been able to see evidence of that. Rather, it appears to me that TMW used the estimated value that L's broker had provided, when it was carrying out initial work on L's application. It then replaced this valuation with its own valuer's figure, once that valuation was completed. This is in line with what I would expect to see in a mortgage application.

The figure on the sole professional valuation TMW received was considerably lower than the estimated value that Mr L had given for the property. I know Mr L was deeply disappointed in the value that TMW's valuer gave. However, this wasn't TMW's decision. TMW asked a properly qualified person to provide a professional opinion, and it then relied on that professional opinion. That's not unfair or unreasonable.

I note that TMW gave L the option to appeal the valuation, but L didn't do so because the date of purchase was fast approaching. Mr L might like to know that such appeals are rarely successful. I know that Mr L had pointed to one relatively recent sale for a much larger amount, however I understand that other sales have also happened in the same location for more modest sums. So I cannot assume that L's appeal would have been successful, if L had had sufficient time to carry it out.

#### *Loss of documentation*

Mr L said he wanted TMW to address that it had lost some of L's documentation, and he pointed us to comments by his broker saying that his office "*has had to send documents across multiple times, it looks like they had gotten lost in transit*" But this isn't confirmation that any documents were ever misplaced, and I haven't otherwise been able to see that any of L's documentation was in fact lost by TMW.

This comment does very strongly suggest that Mr L's broker resent documentation to TMW which he said had been supplied previously, but that isn't an indication that the previous documentation had, in fact, been lost. It may simply not have been forwarded on to the relevant persons within TMW for consideration, or if it was forwarded, it may not have been properly and fully considered. I think that's more likely to be what has happened here.

If documents were not, in fact, lost, but simply not properly considered, then that would still mean there had been avoidable delay in the issue of a mortgage offer to L. And I note TMW accepts there was such delay. I'll consider that next.

#### *Delays in the issue of an offer*

TMW accepts it caused around a month to five weeks of delay in the issue of an offer in this case, because it didn't ask Mr L about the service charge at the same time as it asked questions about the fire safety of the building. The valuation was carried out on 24 July, and the resulting information was supplied to TMW on 25 July. An offer was issued on 25 September. TMW has accepted it could have issued an offer by 22 August.

I've looked at the requests for information that TMW sent. It appears to me that later requests do, in part, overlap with earlier requests. And where they do not overlap, I'm not clear from what TMW has supplied to our service, that the requests TMW issued towards the later part of this two month period of consideration, could not have been issued at the start.

There are always a considerable number of issues for a lender to satisfy themselves on, with properties such as the one L was purchasing. And that does mean it typically takes longer for an offer to be issued. However, I can see that L's broker responded promptly to requests for information, and if these requests had been made earlier by TMW, I think those responses would also have been supplied in a timely fashion. So I think it would have been reasonable to expect TMW to issue an offer about four weeks after the valuation was done and sent to TMW. That means I do think an offer could have been issued on 22 August 2024, as TMW has said.

#### *What TMW should do to make up for that*

TMW has offered £350 to make up for the delay in issuing an offer.

It's clear that this delay caused a considerable amount of stress to Mr and Mrs L, who were selling the property to their business. They've told us about the impact this had on them, and on their family. However, our investigator explained to Mr L that, because this complaint is properly recorded as being L's complaint rather than a complaint from them personally, we are not able to consider their distress as part of this complaint. I'm sorry to have to confirm that this is right.

I can consider any losses L may have experienced here. So I've thought about what L might have been able to do differently, if it had the offer sooner. It doesn't appear to me

as if L could have purchased this property earlier. Its purchase was dependent on Mr and Mrs L's onward purchase, and there are indications that was unlikely to happen before the end of October. So even if TMW hadn't delayed in the issue of an offer, it still doesn't look as if L would have been able to rent this property out during the summer months, potentially to students, as Mr and Mrs L had hoped.

Before I completed this decision, our service contacted Mr L to set out the above limitations on what our service can award, and ask if there was any further information he would like us to consider, perhaps about the possibility of completing any necessary work on the property before moving home, to enable them to market the rental property sooner after it was bought by L. Mr L hasn't replied to that request, and the deadline for responses passed some time ago, so it doesn't look as if Mr L wishes to offer further information here.

So, on what I've seen to date, I'm not able to say that L has experienced any financial loss from TMW's delay in making its mortgage offer, because I can't say the property could, in fact, have been rented out any earlier.

It does seem likely that continued chasing of the offer on behalf of L took up time which Mr L could have devoted to other areas of L's work, and I am able to take that into account in deciding this case. However, on what I have seen, and bearing in mind the constraints on my award which result from this complaint being brought by L Ltd, not by Mr and Mrs L themselves, I think the offer that TMW has made is a fair and reasonable way to resolve this complaint. So I don't think TMW has to pay more than that now.

It doesn't look as if this payment has been made by TMW, as Mr L turned it down. So I'll ask TMW to make the payment, if it hasn't done so already.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

### **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.

TMW said it had nothing to add to the provisional decision. Mr L, on behalf of L, responded saying he wanted to challenge several points of my provisional decision.

Before I look at the points Mr L has raised, I should set out that our service provides an informal alternative to the courts. Our service is intended to be simple to use, and to resolve issues quickly. My considerations below are in line with these aims of our service.

I'll divide Mr L's points into headings, for clarity.

#### *How the proposed purchase by L could have proceeded*

Mr L provided more detail about the sale of this property to L by himself and Mrs L. He said their preferred option was for L to buy this property at the same time as they bought their new home, in August 2024. L's mortgage was intended to release equity in order to repay a portion of a director's loan, money which Mr and Mrs L then planned to use to buy a new family home.

But Mr L said he and Mrs L owned their property outright. The purchase of the property by L constituted a director's loan, no money was being transferred to Mr and Mrs L for the

purchase. So he said L could have completed the purchase of Mr L's property without a mortgage if required, paying only for taxes and costs of the actual transfer. He said he and Mrs L could have rented or stayed with friends and family locally, had they been told the sale of their property would be delayed until the end of October 2024.

Mr L says this means L should, at a minimum, be awarded five weeks of missed rent. But I don't agree. I do think this is very important new information, but I don't think it supports an additional award in the way Mr L has suggested.

If the property could have been transferred to L and rented out in advance of any mortgage being granted, then there no longer appears to be a direct link between the delays in granting this mortgage (which we know TMW accepts) and any reduced rental income for L which Mr L has previously suggested resulted from that delay. It is very difficult to see how it could be fair and reasonable to award L any losses in respect of rental income, in the light of this new information.

#### *Financial impact of the delay*

Mr L asserted that L lost out on rental income because of TMW's delay, both in terms of duration (from August 2024) and monthly rate (going from the most lucrative time of year to rent, to the least). He has said that without delays, L would have been able to rent out the property five weeks earlier. But as I've set out above, Mr L now says L could have purchased this property before the mortgage was granted, and Mr and Mrs L could have moved elsewhere, so any loss of rental income isn't a direct result of TMW's delay.

#### *The valuation*

Mr L said he wanted to know the date when TMW received its professional valuation figure. And he wanted to know what proof TMW had that it had informed L's mortgage broker about this valuation value. Mr L then went on to say that if TMW had shared the lower valuation with L when TMW were claiming it had been decided, then L would not have proceeded with the mortgage.

The valuation carries a date of 24 July 2024. That original valuation included this "*A nil valuation has been returned pending receipt of confirmation [of fire safety issues], following which our capital valuation is £425,000 and our rental valuation is £2,000pcm.*"

TMW has always said it sent this valuation to L's broker on 25 July. It has shown us a copy of the relevant email, which begins "*We've assessed your valuation report please find your copy attached.*" I am not able to independently verify now that the report was attached to the original email then, but I would expect if it was not, that any missing attachment would then have been requested by the broker. I can also see notes from the same day of a call to the broker, which say that all of the concerns raised on the valuation (listed as fire safety, service charge and down valuation) had been discussed with the broker.

So it does appear that L's broker had information on the valuation TMW would be using, if the fire safety concerns could be overcome, from late July.

Mr L noted I'd said "*That lower valuation meant it could only offer rather less borrowing than L had wanted*". He wanted to know if "*lower*" valuation was a relative term, relative to a higher valuation. I think my provisional decision is clear that TMW was referring to a valuation figure which is lower than "*the previous purchase price and requested borrowing amount which L gave as part of its application*". This is referenced just before the quote Mr L points to. However, for the avoidance of doubt, I still think TMW obtained only one professional valuation in this case.

### *Appealing the valuation*

Mr L wanted to provide context as to why L didn't appeal the valuation. He said L didn't have time to do that, because he knew the chain-free purchase of the new family home would collapse if any further delay were experienced, due to the circumstances of the seller.

I appreciate that L may have wished to appeal if the circumstances had been different, but my provisional decision sets out that such appeals are very rarely successful. I still think it's unlikely that the valuation would have changed even if L had appealed.

### *Offer of £350 in compensation*

Mr L wanted to know what date TMW had made its offer, and whether this was before or after the sale.

This does appear to be information which Mr L has sent to us. He emailed us to say that TMW had offered L £350 in a letter he said was dated 3 October 2024.

### *Second set of subject access documents not received*

Mr L said L hadn't received a second set of documents in response to his subject access request, and asked whether TMW had provided proof that these were sent. He said the fact the subject access request was not completed according to the timelines or in the format outlined by the ICO should be of significant concern to all parties.

Mr L said TMW was obliged under GDPR to "*provide the information in an accessible, concise and intelligible format*" but it didn't. It hadn't asked for his preferred format either. Mr L said the fact that the information relating to the subject access request has still not been provided in a format that either he or our service could access was entirely unacceptable.

Mr L said L still wanted to see those documents, and he didn't think TMW should assume they had been safely received.

I wish to be clear here that I do consider that our service has received sufficient information from TMW to decide this case. And, as noted in my provisional decision, any subject access request would be Mr L's request, not that of L Ltd, so I will not consider that as part of this complaint. Additionally, it appears from the documentation TMW has sent us, that Mr L hasn't raised a complaint about not having received the reissued documentation, so he may wish to raise that with TMW in the first instance.

### *Documents Mr L alleged were lost*

Mr L referred to our investigator's suggestion, as noted in my provisional decision, that the documents that Mr L thought TMW had lost, may never have reached TMW.

Mr L said L's mortgage brokers have provided proof of the date, time and recipient of the documents. But he said TMW hadn't provided any proof, it just said it hadn't lost any documentation. Mr L said TMW should have completed a forensic IT audit of email traffic and phone calls to and from L's mortgage brokers, to evidence the contact, documents and information and prove an absence of receipt of email documentation that L's mortgage brokers have already proved they sent to TMW. Mr L said that was the intended outcome of the subject access request.

I think it's worth reiterating here that the suggestion of any documents having been lost didn't come from TMW. It originated in an email from L's broker, which his office "*has had to send documents across multiple times, it looks like they had gotten lost in transit*". I explained in my provisional decision why I felt it was more likely that the documents the broker had sent were not, in fact, lost, but simply hadn't been properly considered by TMW.

I appreciate that Mr L may wish to delve into why the delay in this case happened. However, TMW has already accepted that there was a delay, and taken responsibility for that. I do think that is sufficient for our current purposes, and in particular bearing in mind our role as an informal alternative to the courts. I don't think TMW has to engage in the forensic IT audit that Mr L would like to see.

*Subject access request was raised by Mr L, not L Ltd*

Mr L referred to my comment that a subject access request was raised by Mr L personally, not L Ltd, so it would be difficult for us to consider this here, as part of a complaint brought by his company.

Mr L said L's mortgage broker was working for L, and all documents the broker sent were sent on behalf of L. Mr L also said if he was going to raise this with the ICO, he would do so on behalf of L, not in his personal capacity.

This complaint as a whole considers the impact on L of delays that TMW has accepted it caused. However, Mr L also asked us to look at what he said was TMW's failure to respond to a subject access request. A limited company cannot make a subject access request, only natural persons can do that. So I remain of the view that our service isn't able to consider an allegation that TMW failed to provide documentation in response to a right Mr L says he personally invoked, in a complaint about TMW's relationship with L Ltd.

*No response from L to previous request for information.*

Mr L quoted my comments that our service had asked L for more information about the potential impact of TMW's delay on renting out the property, which had not been supplied. Mr L said he hadn't responded because of "*minimal spare resource, and a lack of guidance on what information [our service] may require*". But he said L did want to offer further information, and also wanted to consider the information it expected to obtain from a subject access request.

My request for information to L was to check whether L could have rented out this property sooner, if TMW had completed its mortgage offer sooner. But the position has now changed with Mr L's confirmation that L could have completed this purchase without a mortgage, and Mr and Mrs L could have moved out of the property, freeing it up for earlier rental. So I have explained above why any loss of rent because they chose not to do this is no longer a potential loss I could fairly and reasonably hold TMW responsible for.

I understand that Mr L will be disappointed by this, but for the above reasons, I haven't changed my mind on the appropriate outcome in this case. I still think TMW doesn't have to do more than it had already offered to do, before this case came to our service. I'll now make the decision I originally proposed.

### **My final decision**

My final decision is The Mortgage Works (UK) Plc must pay L the sum of £350 which it previously offered, if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 4 February 2026.

Esther Absalom-Gough  
**Ombudsman**