

The complaint

Miss L complains that Bank of Scotland trading as Halifax provided an unsuitable mortgage product and an unsuitable valuation when she bought her home. She's also unhappy with how it handled her complaint.

What happened

In 2022 Miss L applied to Halifax for a mortgage via a mortgage broker. The property was valued using Halifax's basic valuation and Halifax offered her a mortgage. The mortgage was for approximately £134,000 and set up on a capital repayment basis. A copy of the mortgage offer document shows that the mortgage would be fixed at 3.57% for approximately five years, with an overall term of 35 years.

Miss L says the mortgage product has ultimately proved unsuitable for her needs and property. She said the valuation was insufficient and failed to highlight significant defects in the property. She also said her complaint about the above was delayed, mismanaged and not logged appropriately.

In its final response letter dated 17 June 2025, Halifax acknowledged that it delayed setting up her complaint and paid her £100 to apologise for that. But, it said, Miss L's broker was responsible for recommending a suitable mortgage product and for discussing the different valuation options with her. It noted Miss L had paid £100 for a 'level 1' valuation and explained that was only a 'desktop' valuation – not designed to be relied upon when deciding whether or not to purchase a property. It said her mortgage broker should have explained that to her.

Dissatisfied with Halifax's response, Miss L asked us to consider her complaint.

Our investigator didn't uphold Miss L's complaint. He explained Halifax was not responsible for the advice on which product to select and it wasn't responsible for explaining the different levels of valuations available. He also said that complaint handling is not an activity we can consider, unless it is ancillary to a regulated activity, and it wasn't in this case.

Miss L didn't agree with our investigator. She said Halifax's communications were not fair, clear and sufficient in the circumstances where only a desktop valuation was obtained – in particular, whether the limitations of the valuation and the risks to her were clearly explained.

As Miss L didn't agree with our investigator her complaint has been passed to me for a decision.

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.

To decide Miss L's complaint, I've thought about whether Halifax should have advised her about the suitability of both the mortgage product and the valuation Miss L applied for.

Miss L hasn't disputed our investigator's view that we can't consider her complaint about Halifax's complaint handling, but I'll also address that point.

Miss L hasn't provided details of what it is about her mortgage product she thinks is unsuitable for her needs. And her emphasis seems heavily weighted towards the inadequacy of her valuation to bring to her attention the flaws in her property she subsequently discovered. In any event, my decision on both complaint points relies on the answer to one specific question – was Halifax responsible for the advice given?

Where a prospective borrower uses the services of an independent mortgage broker, generally, the broker takes responsibility for the advice given. That means it conducts a fact-finding exercise – usually a meeting with the borrower – to establish the borrower's wants and needs. The broker will then recommend a lender and product based on the borrower's established wants and needs. And, particularly relevant to Miss L's complaint, it will discuss the valuation types available to help the borrower select the most appropriate one for their circumstances. That's often influenced by the borrower's budget or the age/type of the property.

I've seen a copy of Miss L's mortgage application from Halifax's records, a copy of which Halifax appears to have sent her on 2 September 2022. That document confirms the name of the broker and the level of service provided – 'advised'. 'Advised' means the broker made a recommendation, rather than simply carrying out the borrowers wishes.

While 'advised' means the broker was responsible for the suitability of the mortgage product recommended, Halifax would not have been responsible for that whether the sale was 'advised' or 'non-advised.' That's because in a 'non-advised' sale the borrower takes responsibility for the suitability of the product. Halifax is only responsible for the suitability of the product if one of its own advisers recommends it, usually following their own fact-finding exercise. It's clear to me that a third party/independent broker made a recommendation to Miss L for the mortgage product she applied for. So, I don't conclude that Halifax is responsible for its suitability.

A discussion about the types of valuation is also part of the work the broker carries out. I've seen that Halifax provides information to brokers via its online portal (accessible by brokers, rather than prospective borrowers). That's designed to give a broker all the information it needs to facilitate a discussion about the types of valuation available. It's worth me stating here that not all valuations are designed to give information to the prospective borrower about the state of a property. The most inexpensive valuation – the level Miss L appears to have selected – is only designed to assure the lender of the suitability of the property as security for the mortgage.

Overall, Halifax wasn't responsible for the suitability of the product recommended or the level of the valuation selected. And I've seen no evidence that Halifax provided any information to Miss L that was misleading about either the mortgage product or the levels of valuation available. So, I don't uphold those parts of Miss L's complaint.

Miss L has also complained about Halifax's handling of her complaint – the same complaint I've considered here. As our investigator has explained, complaint handling is not an activity we consider, unless the complaint handling is ancillary to the complaint itself. In practice that generally means we'd consider a complaint about complaint handling where the complaint handling had the potential to negatively impact the issue central to the main complaint. That isn't the case here because Miss L has complained about issues relating to a specific past event and we haven't found that Halifax was at fault. That means we don't have the power to consider her complaint about Halifax's complaint handling.

My final decision

My final decision is I don't uphold the parts of Miss L's complaint about Bank of Scotland trading as Halifax that we have the power to consider.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 10 April 2026.

Gavin Cook
Ombudsman