

The complaint

Mr B1 is the executor of the estate of his late father, Mr B. He complains on behalf of the estate that Barclays Bank UK PLC has acted unfairly in administering a shared appreciation mortgage (SAM). He complains that the redemption figure is based on an unreasonable valuation of the property.

Mr B1, who was initially dealing with the matter on Mr B's behalf, is now bringing this complaint in his capacity as executor of Mr B's estate.

What happened

In around mid-2024, Mr B1 contacted Barclays on his late father's behalf to find out how much would need to be paid to redeem his SAM. Barclays instructed a valuation to be carried out by a third-party surveyor. The property was valued at £393,500, for the purpose of the SAM redemption. Barclays sent a redemption statement confirming how much this meant the redemption amount would be.

Mr B1 disputed the valuation figure as the property had been valued by an estate agent around six months earlier at £275,000. Because of the dispute, Barclays arranged a further valuation to be conducted which valued the property at £310,000. Barclays thought there was an issue with this valuation and raised it with the surveying firm, which agreed. Because of this, it arranged for a further valuation to be done for the purpose of redeeming the SAM.

The third and final valuation gave a figure – for the purpose of repaying the SAM – of £375,000. Barclays provided a redemption statement calculated based on that, which meant around £233,978 would need to be paid to redeem the mortgage.

Mr B1 complained that the figure to redeem the SAM was too high, when considering the estate agent's valuation of £275,000. Barclays said the second valuation of £310,000 was done in error and that has been acknowledged by the valuers. It has now accepted the final valuation figure, which is lower than the first valuation it received. And that any further referral regarding the valuation was likely to have the same result. If Mr B1 wished to dispute the valuation further, then he could arrange an independent valuation. Barclays apologised for the delay in resolving the matter and acknowledged it had been ongoing for a significant period. It offered to pay £500 which Mr B1 accepted. It also waived two valuation fees totalling £456.

Mr B1 referred the complaint to the Financial Ombudsman Service. Our Investigator didn't think it was unfair for Barclays to rely on the third valuation. He said the property was required to be valued in line with the SAM's terms and conditions and the second valuation had seemingly not been conducted in line with that. He also noted that the third valuation had now expired due to the time that had passed. And so, a new valuation will be required to obtain an up-to-date redemption figure. The Investigator thought Barclays' offer of £500 compensation was fair and reasonable in the circumstances.

Mr B1, on behalf of the estate, didn't agree. So, the complaint has come to me to decide.

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.

Before I set out my decision, I would like to offer my condolences to Mr B1 for the passing of his father. I appreciate this must have been a difficult time for him.

I note that Mr B1 has, during this complaint, mentioned concerns about the sale and original terms of the SAM. We previously investigated those concerns and provided a response to Mr B. We don't generally investigate cases again where we have already provided an answer. And so, for completeness, we won't be revisiting any of the issues we have previously investigated as I'm satisfied it wouldn't be appropriate for us to do so.

I'll now move on the matter at hand which relates to the valuations and redemption process during 2024 and early 2025. Having done that, I must tell Mr B1 that I don't consider I can fairly require Barclays to do anything further regarding this complaint. I'll explain why.

This mortgage began many years ago, in or around 1998. And the amount borrowed at the time was just under £24,000. The terms of the SAM say, in summary, that a valuation of the property must be conducted before the SAM can be repaid and that any such valuation will be made as if the property were in the state and condition required by the terms and conditions. Those conditions include that the borrower covenants and agrees with Barclays to "...repair and keep in good and substantial repair and if necessary to rebuild or reinstate all buildings and other erections service media and fixtures now or at any time during the subsistence of the Mortgage in or upon the Property".

What this means in practice is that at the point of redemption, the valuation will need to be carried out in line with those terms and conditions, based on the property being in good and substantial repair – among other things. It does appear there were some issues with the first two valuation reports Barclays received which raised some questions. For the second of those reports in particular, it appears that the property was valued in line with its present condition, instead of in line with the terms and conditions as the agreement requires. And the available evidence shows the surveying firm agreed there was an error with that report. I'm satisfied it was, therefore, fair and reasonable for Barclays to instruct a third valuation to be carried out by a different qualified surveyor.

The third report provided a property value – based on the SAM terms and conditions – of £375,000. And Barclays calculated the shared appreciation amount (the amount required to redeem the SAM) based on that value. I'm satisfied that this was in line with the SAM agreement and its accompanying terms and conditions. They do not require the redemption amount to be based on the current market value of the property. Instead, they require the valuation to be based on the property as being in "...good and substantial repair".

I appreciate Mr B1 disagrees the property was worth £375,000 at the time of the valuation. He's also said that the property is of sound quality, with no structural defects and that Barclays is just talking about aesthetics. But Barclays is entitled to rely on the report provided by an independent and qualified third-party surveyor. And, as I have already explained above, the valuation is not to be based on the current market value of the property but instead is to be conducted in line with the SAM terms and conditions. I am satisfied that's what's happened here.

Mr B1 may feel that the terms are unfair, but we have no power to consider the fairness of the terms of this SAM agreement. This is because that would be a complaint against the lender and Barclays isn't the lender, it only administers the SAM on behalf of the lender

which is a separate legal entity. The lender does not fall within the jurisdiction of this Service. And so, we have no power to consider complaints brought against it. We can only consider complaints about the administration of the SAM, which is carried out by Barclays – who this complaint has been brought against. Its role is to administer the account in line with the agreement and associated terms and conditions. I'm satisfied, for the reasons I've explained above, that it has done that.

I note that Barclays said Mr B1 could instruct his own independent valuation if he wished to dispute the matter further, and I think that was reasonable in the circumstances. But I can't see that he did that at the time. It seems that's because he thought it wouldn't alter Barclays' position even if he did. Whether a further valuation would have changed things or not I'm unable to say, because no further valuation took place at the time. And I also bear in mind that the redemption statement and the valuation carried out in early 2025 are both now expired in any case. If Mr B1 hasn't already, he will need to obtain a new redemption statement to repay the mortgage on behalf of the estate, which will require a new valuation. Should he have any concerns when that transpires, he would need to make a fresh complaint.

I can see Barclays has accepted that there were delays in it resolving this matter and that it has paid £500 compensation in recognition of the impact of this. I consider this is a fair and reasonable way to recognise the impact these matters had on Mr B. I cannot award compensation to Mr B1 directly as he is executor of the estate, not a customer of Barclays in relation to the SAM and, therefore, not an eligible complainant in his own right.

Finally, I can see Barclays decided to waive two of the valuation fees incurred, instead of passing on those costs to the estate. I think this is fair and reasonable due to there being issues with the valuation process – these fees would normally be charged to the estate. Overall, I appreciate Mr B1 will be disappointed, but I don't consider I can fairly require Barclays to do anything further than it has, in relation to this complaint.

My final decision

My final decision is that I don't uphold this complaint, in that I don't require Barclays Bank UK PLC to do anything further beyond the actions it's already taken.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr B to accept or reject my decision before 13 April 2026.

Keith Barnes
Ombudsman