

## **complaint**

Mr F and Ms G complained about conflicting information given to them by National Westminster Bank Plc during their discussions about switching their mortgage product.

## **background**

Mr F and Ms G's existing mortgage product with NatWest was due to expire in April 2014, and a few weeks before, they visited a branch to discuss the next product.

NatWest's adviser told Mr F and Ms G that the computer valued their property at £220,000, but Mr F and Ms G believed it was worth more. This would affect the deals available, because it would alter the Loan-to-Value percentage. The adviser said her computer allowed her to do a desk-based House Price Index valuation, which generated a figure of just over £260,000. This meant Mr F and Ms G could choose a product within the deals available for 70% Loan to Value. The adviser's computer crashed during the meeting, but Mr F and Ms G signed to apply for a two-year fixed rate product.

Two days later, Mr F and Ms G were phoned by NatWest and were told they couldn't have the product on the strength of the desk-based valuation. If they wanted this product, they'd have to pay £99 for a standard valuation, to check they met the Loan-to-Value criterion. Alternatively, they could have a higher rate without paying for a valuation. A few hours later, NatWest rang again to say the price of the valuation would be £346, not £99. Mr F and Ms G complained. Meanwhile, after their existing deal expired in April, they made payments on the standard variable mortgage rate, which cost them more.

Nat West agreed that they'd been given the wrong information, and gave them £100 compensation for distress and inconvenience. But it said that it would need a new valuation for Mr F and Ms G to be able to have the product they wanted. Mr F and Ms G weren't satisfied and complained to this service.

The adjudicator said he couldn't be sure whether the computer crash happened because NatWest doesn't offer desk-based valuations when customers want to move to a product in a different Loan-to-Value category. He said that NatWest sets its own lending criteria, and this service doesn't generally become involved in how a business exercises its commercial decisions. So there was nothing to show NatWest acted wrongly in asking for a standard mortgage valuation before deciding whether to offer the new product. The adjudicator also noted that although Mr F and Ms G's application had been submitted, there was no evidence it had been accepted by the underwriters.

The adjudicator considered NatWest's compensation of £100 was fair and reasonable. Following this service's involvement, however, NatWest also said that Mr F and Ms G could apply for a product from its current range, and if the current products aren't as competitive, they could apply for a product that was available at the time of their application. This would be subject to its lending criteria, and they wouldn't backdate the lower payments.

Mr F and Ms G weren't satisfied. They said the NatWest website said a property should be valued before a mortgage or remortgage, and that the adviser should have known this. They still wanted the product NatWest had offered to them.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I can understand why Mr F and Ms G were upset when they thought they had sorted out a new mortgage deal with which they were happy, and found out two days later that there was a problem. But signing an application form for a mortgage deal doesn't guarantee acceptance. It still had to go to underwriters, and it seems certain the mistake would have been picked up at that stage. So I don't find that NatWest had guaranteed the product. I therefore don't find that the bank has to offer Mr F and Ms G a product based on the adviser's computer problems and mistake.

Looking at compensation, I find that £100 was fair and reasonable for the distress and inconvenience suffered by Mr F and Ms G. I understand this was paid to them, but Mr F and Ms G were considering returning it. This compensation is still available to them if they have chosen to return it.

Mr F and Ms G can also still consider NatWest's offer to apply for a product from their current range, or, if better, from the range that was available at the time of their application – subject to the lending criteria, which might involve a valuation fee. I don't find that NatWest need do more to put things right.

### **my final decision**

My final decision is that I do not uphold this complaint. I leave it to Mr F and Ms G to decide whether or not to accept the £100 compensation already paid for distress and inconvenience, and whether to apply for a new product under the concession offered by NatWest.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr F and Ms G to accept or reject my decision before 29 January 2015.

Belinda Knight  
**ombudsman**