

complaint

Mrs C complained about the valuation which Castle Trust Capital plc arranged on her property.

background

Mrs C had a buy to let equity mortgage with Castle. The way the mortgage worked was that when Mrs C wanted to redeem the mortgage, the amount she'd have to pay was based on the difference between two valuations. The first valuation was done when she took out her loan in July 2014, and her property was valued at £290,000. When Mrs C wanted to redeem her mortgage, another valuation was done in January 2016. This valued her property at £375,000.

The terms and conditions of the mortgage set out how the redemption figure would be calculated. In Mrs C's case this was "*the increase in property value multiplied by twice the percentage of the original property value that you are repaying.*" So the higher the 2016 valuation, the more Mrs C would have to pay.

The 2016 valuation was higher than Mrs C thought was fair. She knew of another property near to her buy to let, which had been valued by the same agent a few months earlier, at the lower figure of £330,000. Mrs C complained to Castle and said she thought her valuation shouldn't be more than £350,000.

Castle said that, exceptionally, it had asked the valuer to review the valuation report, but he had said the figure was right. Castle pointed out to Mrs C that the terms and conditions provided for an appeal process. Mrs C could have another valuation, for which she'd have to pay £499. If Castle agreed with this valuation, it would be used for the calculations. If Castle didn't agree, it would obtain, and pay for, a third valuation which would determine the figure. Mrs C didn't think it was fair that she'd have to pay for this, and she complained to this service.

The adjudicator said Castle was entitled to rely on a valuation carried out by a suitably qualified professional expert. She also noted that Castle's terms and conditions had a clear process, and she didn't think Castle was wrong to say a fee of £499 was required before it could consider Mrs C's request to reduce the property valuation. The adjudicator also told Mrs C that this service can't ask a business to change its processes. She also explained that we can't become involved in a valuation dispute, and referred Mrs C to the Royal Institution of Chartered Surveyors if she wanted to complain about the surveyor.

Mrs C wasn't satisfied. She said that if Castle arranged a second and third valuation, there was a risk that the amount to be repaid might be even larger, which wasn't fair.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate that Mrs C is concerned that, if she follows the appeal process by taking further valuations, this might make the redemption payment even larger, rather than reduce it. But there are risks with the type of loan Mrs C took out - including the valuation.

I have checked that the terms and conditions which Mrs C originally accepted do provide for the process Castle used, and for payment of a fee for the second valuation under the appeal process. They do. The relevant provisions are, as Mrs C is aware, in sections 11 and 3 of the terms and conditions. It's not open to me to rule that those terms and conditions, which Mrs C signed up to, must be overruled. Nor can I ask Castle to change existing processes for how it deals with appeals.

Mrs C points out that a very similar property near to her own was valued at a lower figure. But this service can't determine a disagreement about what the right valuation should be. For this, Mrs C may wish to complain to the Royal Institution of Chartered Surveyors (RICS), which is the organisation which regulates the surveying profession.

So I can't uphold Mrs C's complaint.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 8 April 2016.

Belinda Knight
ombudsman