

## **complaint**

Lobsgrove Park Developments Ltd, represented by Mr H, complains that Nationwide Building Society ("Nationwide") has produced an excessively cautious valuation of the business development. This has resulted in Mr H being technically in breach of the loan to value ratio on his lending agreement and in the issuing of a default notice.

Mr H does not consider this to be fair.

## **background**

As part of his evidence, Mr H has provided alternative, independent valuation evidence to that of Nationwide.

Our adjudicator thought that the difference between the valuation reports was substantial. She suggested that Nationwide should offer a further, independent valuation.

Nationwide agreed to this, but required the valuation be undertaken by a surveyor on its business panel.

Mr H did not feel that this was sufficiently independent. He asked that an ombudsman review the case and make a finding on what should happen next.

## **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 accept that Nationwide is completely within its rights to request a re-valuation of the business development at any time. I also accept that it would usually use a surveyor from its 'panel list' to undertake that valuation.

But Mr H has paid a substantial sum to secure his own professional assessment of the recent valuations of the development, including that undertaken for Nationwide. The advice that he received – and provided to the Financial Ombudsman Service - was that the last valuation was 'very cautious'. So I am sympathetic to Mr H's concern that the surveyors on Nationwide's panel may not have been as courageous as the current configuration of the development warrants.

Having looked at this case with care, and in the particular circumstances of it, I think it would be appropriate for a valuation which is independent from both parties to be undertaken. But, understandably, Nationwide will only accept a firm that meets its usual business standards and safeguards. These are:

- The firm must provide evidence and detail of its insurance cover, to include the amount of cover, period of insurance and the level of uninsured excess;
- Confirmation that the firm has a minimum of two partners/directors
- Confirmation that the valuation will be carried out by an MRICS/FRICS valuer with at least two years post qualification experience;
- Confirmation that the valuer will be registered under the RICS valuer registration scheme;

- Confirmation that the firm is regulated by RICS – or, if not, an acceptable explanation why not;
- Provision of a list of the directors and partners;
- A note of the firm's specialisms and geographic coverage;
- Confirmation that the firm has an internal quality assurance system which incorporates a review of the valuation by someone other than the author. The report should be counter-signed by a mandated partner or director.

To be fair to all parties I suggest that Mr H provides the names of three valuers, or valuation firms, that he would be content to instruct to undertake the valuation and who he considers would be able to meet Nationwide's requirements as set out above. As this case has been in progress for some time, and while I cannot order him to, I think that Mr H should provide this information to Nationwide by the end of October 2015 at latest.

Nationwide should then approach the suggested firms to confirm its normal business requirements, to obtain quotes and instruct a valuation. I understand that Nationwide has agreed to pay for this new valuation.

### **my final decision**

Subject to Mr H providing the names of three valuers who meet Nationwide Building Society's criteria as set out above, my final decision is that both parties will then be bound by the decision of the appointed valuer.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 28 September 2015.

Roxy Boyce  
**ombudsman**