

## **complaint**

Mr and Mrs B complain that Nationwide Building Society failed to share details of their valuation report with them which has caused them to lose money.

## **background**

Mr and Mrs B took out a mortgage on a new property with Nationwide in 2012. One of the incentives for the mortgage was a “free valuation”. Mr and Mrs B didn’t receive a copy of the valuation but when they contacted Nationwide they were told it was fine and that the mortgage could go ahead.

Two years later, an external wall collapsed at Mr and Mrs B’s property. They then asked to see the valuation and discovered that some work had been recommended and that the valuation price was £5000 less than the amount they were paying for the property. When their insurance company refused to cover the full amount of their claim on the collapsed wall, they complained to both the insurance company and to Nationwide. They said they would have approached the purchase of their property differently if they’d known what was in the survey.

Nationwide rejected their complaint. It said the valuation was solely for its purposes in deciding whether to lend on the property and that Mr and Mrs B could have had their own more detailed survey done. It pointed out that the collapsing wall wasn’t one of the issues highlighted in the valuation. Mr and Mrs B then complained to this service through their representative, Mr C.

The adjudicator investigating the complaint didn’t think it should succeed. She thought it was clear that the valuation was for Nationwide’s purposes and there was no need to share the contents with Mr and Mrs B. Mr C disagreed with this and asked for review by an ombudsman.

## **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 can see it must have been a shock for Mr and Mrs B when the wall in their house collapsed. And I can understand that they were disappointed that Nationwide didn’t draw their attention to the works suggested in its valuation report. But all the documentation they received made it clear that the free valuation was just for Nationwide to decide whether or not the property was good enough security for the mortgage they were asking for.

I can’t see that the issue with the external wall was mentioned in the valuation report and therefore I don’t think it would have put Mr and Mrs B on notice about that particular problem. Although the valuation report gave a figure lower than the amount Mr and Mrs B were paying, property valuation is never an exact science and ultimately a property is worth what someone is willing to pay for it. I don’t think the valuation figure was so far from the amount paid that this would have caused concern to a lender. Nationwide’s interest in the valuation is only to know whether the property is adequate security for the lending.

If Mr and Mrs B felt a detailed survey would be useful for them, all the documentation made it clear this was something they could arrange themselves at additional cost. Mr C has said that Nationwide should have told Mr and Mrs B they could ask for a copy of the valuation.

But I think it would be easy enough for Mr and Mrs B to ask the question if they wanted more information about the property they were buying. Ultimately, the decision to buy a property and the price paid for it is something for the buyer, not for the mortgage lender. Therefore I don't think Nationwide has acted unreasonably by not automatically sharing the valuation report with Mr and Mrs B.

Mr C has suggested that there is a systemic problem with Nationwide's approach to sharing valuation reports and that this can be seen because they've changed their policy on this since 2012. I note that he's asked about contacting the FCA on this issue, if he wants to take this systemic problem up with the regulator, the FCA can be contacted on 0800 111 6768.

### **my final decision**

For the reasons given above, it's my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 9 November 2015.

Susie Alegre  
**ombudsman**