

complaint

S, a limited company, complains that a valuer appointed by Barclays Bank Plc made errors which resulted in its property being underinsured. S is represented by its director, who I'll refer to as Mr T. S asks for compensation.

background

S took out a secured loan with Barclays in 2013. S paid for a valuation of the property which was offered as security. Mr T says he relied on the reinstatement value in the valuation report when he insured the property and adjusted this for inflation each year. In 2016 the property was vandalised. When S made an insurance claim the insurers said the property was underinsured and reduced the claim. Mr T says the valuer made a number of errors when assessing the reinstatement cost. Mr T says Barclays should pay the shortfall from his insurance claim, about £7,300.

The adjudicator didn't recommend that the complaint should be upheld. She said S was running a business and it was reasonable to expect it would make its own checks on the reinstatement costs. Barclays needed the valuation to assess whether it had enough security for the loan. Lenders don't usually owe a duty of care to customers for valuations. The valuers were chartered surveyors acting independently of Barclays. The report said it was given to Barclays for lending purposes and said S could ask for a more detailed valuation.

S didn't agree. Mr T said Barclays appointed the surveyor. S paid Barclays for the report so Barclays was responsible for its quality and accuracy. He said Barclays had required that the building was insured.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Barclays needed a valuation to assess whether the property was suitable security for a loan. It instructed an independent surveyor to value the property. The surveyor was qualified through the Royal Institution of Chartered Surveyors and had no links to Barclays.

I think Barclays appointed a suitably qualified person to do the valuation. The surveyor was independent of Barclays. I don't think Barclays was responsible for the contents of the surveyors report.

The report itself says it was required for banking purposes. The report says the reinstatement value was done as a desktop exercise only, is given without liability and is to be used purely as an indication for fire insurance purposes. The report recommends the matter is discussed in more detail with the bank's customer and if necessary a more detailed valuation is undertaken by a suitably qualified Quantity/Building Surveyor or another similar professional.

I think the report is clear about its purpose and that a more detailed reinstatement valuation could be undertaken. Barclays was entitled to decide whether it needed more information to

assess whether the property was suitable security. And Mr T was entitled to decide whether he needed more information about the costs of reinstating the property.

S paid for the valuation as part of the process for applying for the loan. And Barclays required S to insure the property. This was to protect its security. I don't think this means that Barclays became responsible to S for the contents of the valuation report.

I'm sorry that S's property was vandalised and it incurred costs in putting this right. But I haven't seen anything to suggest that Barclays' actions or the circumstances here meant that Barclays took responsibility for the contents of the valuation report.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 10 May 2018.

Ruth Stevenson
ombudsman