

The complaint

Mrs D has complained about a lifetime mortgage application she made to more 2 life Ltd through a mortgage broker. She says the interest rate was too high, and the valuation of her property was too low.

Mrs D has been supported in bringing this complaint by Mr F. Any reference to Mrs D should be taken to mean Mr F acting in that capacity where appropriate.

What happened

Mrs D applied for this lifetime mortgage through a mortgage broker in January 2021. She applied to borrow £136,230 to repay an existing lifetime mortgage and a credit card debt, as well as to cover the fees for setting up the mortgage. On the application form that was submitted to more 2 life the estimated value of the property was stated to be £285,000.

A valuation was carried out on 11 January, which said the property was worth £285,000, and on 13 January a mortgage offer was issued for a borrowing amount of £136,230 at an interest rate of 6.31%.

Mrs D's solicitor completed the legal paperwork and the mortgage completed on 25 February 2021.

Mrs D raised a complaint with more 2 life in July 2022 which it didn't uphold. Unhappy with more 2 life's response, Mrs D referred her complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold the complaint. He said more 2 life was entitled to rely on the valuation report it received, and it processed the mortgage on the interest rate that was stated on the application form.

Mrs D didn't agree and so the case has been passed to me to decide.

Whilst I acknowledge the request by Mrs D that this and the complaint about the mortgage broker are considered together, having reviewed both files I'm satisfied I can fairly decide this complaint without deciding the complaint about the broker either first or at the same time.

What I've decided – and why

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

Mrs D disputes the accuracy of the valuation, saying some estate agents had given substantially higher figures a few months before, and a valuation carried out by a surveyor (from a different branch of the same chain of surveyors) gave a figure of £360,000 around 18 months later.

I understand Mrs D feels the broker understated the value of her property on the mortgage application form, but this complaint is just about more 2 life and its actions. It received an application form giving an estimated property value of £285,000 and so it was on that basis it started its review of the application.

More 2 life needed to instruct a suitably qualified surveyor, which it did in this instance by appointing a member of the Royal Institution of Chartered Surveyors.

More 2 life isn't responsible for the actions of the surveyor, including the valuation figure they reached. I think more 2 life acted reasonably by accepting the valuation the surveyor reached, and in relying on the valuation to decide the property was acceptable security for the proposed borrowing. I haven't seen any evidence that the valuation was contested with more 2 life by Mrs D at the time. I don't think it was unfair for more 2 life to rely on the valuation for this application.

Having considered everything I'm satisfied that more 2 life instructed an independent qualified surveyor and it was reasonable to rely on their opinion.

I understand Mrs D is also unhappy about the interest rate on her more 2 life mortgage. I've not seen anything to suggest that more 2 life made a mistake with the interest rate; the interest rate Mrs D got was the interest rate she was eligible for. The interest rate was set out in the mortgage offer that was issued on 13 January 2021, and if Mrs D felt that was too high at the time then she had the option to not proceed with it. Having considered everything there are no grounds for me to uphold this part of the complaint.

My final decision

I don't uphold Mrs D's complaint about more 2 life Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 15 January 2024.

Julia Meadows
Ombudsman