

The complaint

Mr M complains about the delays in National Westminster Bank Plc (NatWest) processing his mortgage application.

What happened

On 3 November 2021 Mr M applied for a new mortgage on his existing property with NatWest via a broker.

A valuation report of Mr M's property was completed on 9 November. The report said "We require a fully completed EWS1 form (External Wall System) (of an A1, A2 or B1 rating) completed by an appropriate signatory (see the RICS website for a list of relevant professional bodies for completion of an EWS1 form) with a covering letter. The purpose of the covering letter is to solely confirm the building address and that the EWS1 signatory completed the assessment." This requirement was passed onto Mr M's broker.

Mr M's broker sent NatWest the EWS1 form on 16 November. NatWest passed it onto their panel of valuers on 29 November who said the form hadn't been completed correctly. They requested the building name was added to the form, and a covering letter was still needed. On 16 December Mr M's broker sent NatWest the covering letter they'd requested.

On 6 April 2022, NatWest received the covering letter and two EWS1 forms. The surveyors said the EWS1 forms had not been validated, and had a missing postcode. There was more back and forth between NatWest and Mr M's broker and eventually, on 15 July 2022, the valuers were satisfied the form and the covering letter met NatWest's criteria.

The mortgage offer was produced on 27 July 2022, and the mortgage completed on 26 August 2022.

In January 2023 Mr M complained to NatWest about the delays caused during the re-mortgage process. He felt that NatWest could have made it clear what they needed at the start of the process, to avoid the multiple requests which in his opinion were avoidable. He spent a lot of time and effort trying to get what NatWest needed. The interest rate product on his existing mortgage had expired in May 2022, and he'd been paying a higher variable rate whilst waiting for the NatWest mortgage to complete. He said he was trapped waiting for this mortgage to go through because as rates had increased so much in the meantime, if he went elsewhere then he would have had to pay a lot more than he would for the NatWest mortgage.

NatWest issued their final response letter on 2 February 2023. They set out the timeline of events, showing when the requests were made, and responses received. They said they had followed the right process and no error had been made. The surveyor's request had been clearly explained to Mr M's broker at the start of the process and at no time did the surveyor change or request additional information.

Mr M brought his complaint to our service. Our Investigator considered what had happened but didn't think NatWest had caused unnecessary delays or treated Mr M unfairly. Mr M

asked for the complaint to be reviewed by an Ombudsman. He said NatWest demanded changes to the EWS1 form he'd provided despite knowing that the form was developed to help lenders fairly assess how much a property is worth. It's not a legal requirement or safety record. They never disputed the validity of the form or the survey, and so they could have assessed how much the property was worth without the wording changes needed to the form.

The complaint has now been passed to me to issue a decision.

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.

Both parties have provided detailed submissions and evidence about what happened during this re-mortgage process. Whilst I have only summarised the events above, I want to assure both parties I've carefully considered everything they've sent us before issuing this decision.

Before NatWest would agree to lend on Mr M's property, they had to be sure that the property was suitable security for the lending. In order to determine that, they rely on the opinion of a professional valuer. In this case, the valuer who attended Mr M's property wanted to see a fully completed EWS1 form and a covering letter before they could confirm that the property would meet NatWest's criteria for lending purposes.

An EWS1 form must be completed by a qualified fire safety professional and is an assessment of the state of the property's external walls and the associated fire risk. Where an EWS1 is needed, it is commissioned by the building owner or management and applies to the whole of the building – so each flat owner will have a copy of the EWS1 form for the block, rather than having their own one for their own flat.

Mr M had provided an EWS1 form and covering letter by 16 December 2021. The problem is, the valuer was not satisfied with how the form and covering letter had been completed because firstly they did not contain the name of the building Mr M's flat was in, and then there were issues with the postcode and the format and version of the forms.

I've seen in NatWest's internal notes that the valuer wasn't prepared to confirm Mr M's property was suitable security for the mortgage until they had seen the address in the particular format they required on both the EWS1 form and the covering letter. So from NatWest's perspective the valuation was not completed until they had that sign off from the valuer. So I don't think it was unreasonable that NatWest did not offer Mr M the mortgage until that process had been completed.

I appreciate Mr M's point that NatWest knew the form existed and it was the format that was the problem. But the format needed to be correct for the valuation to be completed and so it was not a case that NatWest could simply overlook the requests made by the valuer – regardless of whether the changes needed were 'pedantic' as Mr M says. This is also the reason NatWest weren't always able to answer Mr M's specific queries about the details of what was needed, as it wasn't them requesting and assessing the information, it was the valuer. But I still need to decide whether NatWest caused any delays in Mr M obtaining the information he needed to satisfy the valuer that his property met NatWest's criteria.

When NatWest told Mr M's broker what was required to complete the valuation in November 2021, I'm satisfied they were clear about what they needed. I don't think the requests that the valuer later made could reasonably have been foreseen at the outset, because the problems arose from the format of the address contained on the form. A large portion of the time it took to get the mortgage offer issued was caused by the fact the building name that Mr M's flat was in needed to be added to the EWS1 form and covering letter in order to satisfy the valuer.

I appreciate Mr M had no influence over that process. It had to be completed by the fire consultants who assessed the building and completed the form originally. But I'm not persuaded I can hold NatWest responsible for that delay either. I've already explained that it wouldn't be reasonable to expect NatWest to 'override' a request made by the valuer. The valuer was independent of NatWest, and NatWest were relying on an independent professional's opinion before they could agree to lend.

From reviewing the timeline of events, it does seem NatWest caused a small delay at the start of the process. They didn't pass Mr M's EWS1 form to the valuers until 29 November, which was almost two weeks after Mr M's broker had sent it. But given this whole process took over eight months, I'm not persuaded that two-week delay made a significant difference to the overall time this application took to complete.

Whilst I can appreciate Mr M's frustrations during the re-mortgage process, I'm not persuaded NatWest are responsible for the overall time taken for the reasons I've explained. And so whilst I appreciate it will come as a disappointment to Mr M, I'm not satisfied it would be reasonable to instruct NatWest to pay for the losses Mr M says flowed from the time the process took.

My final decision

Considering everything, for the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 April 2024.

Kathryn Billings
Ombudsman