

## **The complaint**

Mr B complains about unfair treatment when he applied to Santander UK Plc for a mortgage. He asks that it removes its credit search from his credit records and pays compensation for financial loss.

## **What happened**

Mr B applied to re-mortgage with Santander via a broker. Santander instructed a valuation.

Following the valuation, Santander said it would require a full retention. Mr B complained about the behaviour of the surveyor as well as the content of the valuation report. The valuation was reviewed by another surveyor. This surveyor said the property wasn't suitable security and Santander declined to lend.

While this was ongoing, Mr B's close family member died in distressing circumstances. Mr B says Santander didn't follow the TEXAS protocol or ask him what support it could provide. He says Santander didn't treat him as a vulnerable customer, despite him telling it about the death of a family member. He said all of his calls with Santander should be listened to.

Mr B says Santander misled him into paying for a building warranty. He says the valuer was racist and homophobic. And during the delays caused by Santander, interest rates increased and the interest rate product he's now taken out is more expensive. Mr B says he suffered considerable stress, worry and anxiety which caused a medical condition to develop.

Santander said it didn't offer a mortgage to Mr B because the valuer said the property wasn't suitable security. It acknowledged this had been a stressful situation for Mr B and paid him £100.

I sent a provisional decision explaining why I didn't intend to uphold any parts of Mr B's complaint. The reasons I gave are substantially as set out below. Santander said it had no further comments. Mr B didn't respond.

## **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.

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. Mr B says we need Santander's full notes and call recordings in response to a data subject access request to understand his complaint. I should explain that we can ask Santander to provide any information and evidence we consider relevant. I'm satisfied that I have enough evidence to reach a fair decision about what's fair and reasonable in all the circumstances of this complaint.

Mr B's broker made a mortgage application on his behalf in mid-May 2022. The funds were for further improvements to Mr B's property.

*Did Santander consider Mr B's application fairly when making a lending decision?*

Santander instructed a valuation of the security property to help it make a decision on whether to lend. I'd expect it to instruct a suitably qualified valuer, which I think was the case here.

The valuation was carried out on 23 May 2022. The valuation report said the property was a self-build barn conversion that wasn't completed. It said it should be confirmed that necessary consents were obtained and that a build warranty would be provided on completion. A value was provided for when the property was completed, but not at the time of the inspection. Santander applied a full retention.

Mr B and his broker queried the valuation, saying the building work was complete and warranties had been obtained. Santander raised this with the valuer, who said there were significant works still to be completed and the property wasn't habitable. Mr B disagreed. He asked for another valuation by a different valuer. He also complained about the conduct and behaviour of the valuer.

The valuation report was reviewed by a manager within the firm of surveyors. An amended valuation report was issued in mid-June 2022 which said the property was an incomplete self-build barn conversion and no warranty was available. It said the surrounding property and access were owned by the applicant's family, with possible contiguous land issues. The report said the property wasn't readily saleable or mortgageable.

Santander provided, in confidence, its lending policy. I've read its policy and I'm satisfied it applied it correctly, based on the situation reported by the valuer. Santander asked the valuer to respond to the issues raised by Mr B and his broker. I think it was reasonable for Santander to rely on the expert opinion of the valuer as to the situation with the property and whether it was suitable security.

*Did Santander cause delays or mislead Mr B about needing to pay for a warranty?*

Santander instructed a valuation promptly. Mr B disagreed with the valuation report and asked for a re-valuation. Santander arranged for the valuation to be reviewed. It was inevitable this would add to the time taken. I don't think Santander caused any unreasonable delays.

The first valuation report said a building warranty would be needed. Had the mortgage gone ahead, it's likely Santander would have asked Mr B to provide a building warranty. But I don't think it's fair to say that Santander conned Mr B into paying for one.

Mr B said during a call with Santander in mid-June 2022 that he wasn't sure whether to make a payment to the architect so they would release their certificate. He wanted to know if the valuer was likely to change their view, which would mean the certificate wasn't needed to support his appeal. Mr B then said he had to pay the remaining balance to the architects at some point, so that they would release their certificate, but didn't want to make the payment early. In a later call Mr B said as he hadn't heard back from Santander he'd gone ahead and paid for the architect's certificate. I don't think it's fair to say Mr B incurred this cost due to any error by Santander. Based on what Mr B said, this was the balance of the payments he'd agreed with the architect.

Mr B must reasonably have known his appeal against the valuation report might not be successful. If Mr B paid for a new build warranty or guarantee, knowing there was a risk his appeal wouldn't be successful, it was Mr B's own decision to do so. Mr B could have waited for the outcome of his appeal before paying for a building warranty.

*Did Santander deal fairly with Mr B's concerns about the valuer?*

Mr B says he was treated unfairly by the valuers because he made a complaint. He says there could be a perception that because he's a person that's gay and of colour he's expected to remain silent, be discriminated against and accept being treated poorly because if he doesn't he won't get a mortgage.

Mr B has said he feels the valuer's actions are discriminatory on the basis of race and sexual orientation. I should explain that we are an informal dispute resolution service, meaning we don't have the power to decide whether or not a business is in breach of the Equality Act 2010, as only a court has the power to do this. What we can do is take relevant law and regulation into account when deciding what's fair and reasonable in the circumstances of a complaint. While I understand Mr B's frustrations with the report given, I don't think Santander has acted unreasonable or unfairly. I say this because I'm satisfied the decision made by Santander was made as a result of the surveys provided. I can't look into the allegation of discrimination against the valuer as this complaint is solely about the actions taken by Santander.

Santander forwarded Mr B's complaint about the conduct of the valuer to the firm of surveyors. I think that's the correct approach, as Santander isn't responsible for the behaviour of the individual valuer.

Santander referred Mr B's concerns to the firm of surveyors, which I think is fair for the reasons I explained above. The valuation was reviewed by a manager in the firm of surveyors. This resulted in a further concern – that the surrounding property and access were owned by the applicant's family, with possible contiguous land issues. So, while I appreciate Mr B feels this was raised due to his sexual orientation and race, after listening to the calls I am satisfied the surrounding land is owned by his family. So I think this was a genuine issue which the valuer needed to raise and would have raised as an issue with any other consumer in the same circumstances as Mr B.

I'm satisfied that the reason Santander declined to offer Mr B a mortgage was because the property wasn't suitable security. The valuation report set out why the valuers didn't consider the property to be suitable security, and I think, in the circumstances, it was reasonable for Santander to rely on their expert opinion.

*Did Santander respond correctly when Mr B told it he was vulnerable?*

During the application process, a close family member of Mr B died in distressing circumstances. Mr B told Santander about his bereavement and the circumstances. When he brought the complaint to us, Mr B said Santander didn't follow the TEXAS protocol or ask him about additional support or his needs. He says he told Santander he was vulnerable and riddled with anxiety and stress.

We asked Santander to comment on this. Santander says Mr B didn't provide information about his bereavement that affected the complaint issue, which is about the valuation and Santander's decision not to lend. However, Santander was made aware that Mr B raised this when he brought the complaint to us, and I think this forms part of his complaint.

I've listened to Mr B's calls, to understand what Mr B told Santander about his needs and what support Santander could or should have offered.

Mr B told Santander about his bereavement and that he was suffering anxiety and distress. I think Santander responded sympathetically. All of Mr B's calls with Santander related to his application, and in particular to issues with the valuation.

It's clear from the calls that Mr B wanted Santander to offer the mortgage, and I've no doubt that he was disappointed when the valuation report meant this didn't happen. It's also clear from the calls that Mr B wanted the matter resolved quickly. I've already explained why I think Santander was entitled to decline the application, and that I don't think it caused unnecessary delays.

I'm not persuaded that applying the TEXAS protocol was required or that it would have made things easier for Mr B. His bereavement didn't have any effect on the lending decision made by Santander's underwriters. I don't think referring Mr B to its vulnerable customers team would have helped – this team wouldn't have been able to deal with Mr B's application or give Mr B an answer any sooner. And there's no suggestion Mr B needed help in communicating with Santander.

Mr B was in an application process and a broker was acting on his behalf. While I can understand that Mr B wanted to speak directly to Santander to explain why he disputed what the valuer said about his property, if he found this difficult or upsetting, he did have the option of asking that all communication was via the broker. If Mr B needed help and advice about his options when Santander declined his application this could appropriately be offered by the broker. So I don't think Santander needed to signpost Mr B to any external organisations for advice.

Mr B had suffered a bereavement and told Santander he was anxious and vulnerable. I'd expect Santander to be sympathetic and understanding when talking to Mr B, and I think it was.

#### *Mr B's request for information*

Mr B has said he'd like copies of information held by Santander. He is of course entitled to make a request to Santander under the General Data Protection Regulation. This wasn't part of the complaint brought to us or raised with Santander, and so I can't look into it here.

#### **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 Mr B to accept or reject my decision before 10 August 2023.

Ruth Stevenson  
**Ombudsman**