

## **The complaint**

Mr J complains that National Westminster Bank Plc unfairly declined his application and caused delays when he applied to port his buy to let mortgage.

## **What happened**

Mr J had sold his property and wanted to port his mortgage product within the porting window. He found a property to buy, but says he had to wait a month for an appointment with a mortgage adviser, despite telling NatWest the matter was urgent. As a result, he missed the deadline to port his mortgage product. He had to pay the early repayment charge (ERC) and lost the benefit of the interest rate.

Mr J's application was declined when the valuer said the property wasn't suitable security. Mr J says the current owners have a mortgage from NatWest and it should provide evidence its lending criteria have changed or allow him to port his mortgage product. He said NatWest is discriminating between customers.

NatWest offered £250 for poor service when Mr J raised a complaint. It said it couldn't discuss another customer's mortgage and it had to rely on the expert opinion of the valuer as to whether the property is suitable security.

Our investigator said NatWest hadn't acted unfairly when it declined to port the mortgage. She said £250 was fair for the poor service Mr J experienced.

Mr J said, in summary, that as valuers can reach different decisions it was for NatWest to ensure this wasn't due to discrimination which he said is legally prohibited in all its forms. Mr J said making different lending decisions for the same property and different customers should be investigated.

## **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.

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

NatWest provided a copy of the valuation report. This says the property is not suitable security in accordance with NatWest's guidance. The report said the property wasn't readily saleable or mortgageable. It said it was above a retail shop which was likely to have a significant impact on saleability.

Mr J queried the valuation. He said he'd checked that NatWest didn't have a ban on lending on properties above retail premises before applying. He said he thought the valuer had disqualified the property without checking the actual use of the premises and asked for a revaluation taking this into account.

Mr J says there's a potential case for discrimination or unfair treatment, as the current owners have a mortgage with NatWest.

The Equality Act 2010 provides protection against discrimination for people with a protected characteristic. 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.

We asked Mr J why he believes there was discrimination here. He says this is very simple. NatWest has a mortgage on the property and the vendors have told him (via the agent) they've checked with NatWest they won't have difficulty in re-mortgaging if the sale falls through. Mr J says we can check this with NatWest. He says this is evidence any problem isn't with the property being suitable security.

I can't comment on a third party's mortgage account or ask NatWest to do so. Even if the vendors expect they'd be able to re-mortgage with NatWest any application for a new mortgage would be subject to checks and a satisfactory valuation.

Mr J's application was declined due to the valuer saying the property isn't suitable security. I can't look into any allegation of potential discrimination against the valuer as this complaint is solely about the actions taken by NatWest.

We asked NatWest for information about its lending policy, the guidance referred to by the valuer and its communications with the valuer when Mr J challenged the valuation.

NatWest provided an extract from its lending policy, in confidence. If NatWest told Mr J it doesn't have a ban on properties above retail premises this was correct. This is provided the valuation doesn't identify issues with the building or locality which may affect resale. The issue raised by the valuer was about how the location of the property would affect its saleability.

NatWest contacted the valuer after Mr J raised his concerns. The valuer responded to say the valuation was unchanged. The response from the valuer reiterates that the location of the property affects its saleability and says this is supported by a lack of recent sales of similar properties in the area.

Different valuers might reach different conclusions and for legitimate reasons, especially if some time has passed or there's been a change in wider market conditions.

I don't think, based on the available evidence, that NatWest ought to have been alerted to the possibility that the valuer said the property wasn't suitable security for any reason other than those given in the valuation report.

I don't think I can fairly find that it was unreasonable for NatWest to rely on the valuation report or that it should have disregarded the expert opinion of the valuer that the property wasn't suitable security. It follows that I don't think it was unfair for NatWest to decline Mr J's application.

*Did NatWest cause delays?*

It was unfortunate that NatWest couldn't offer Mr J an earlier appointment with a mortgage adviser. Mr J had to wait about a month for an appointment.

Mr J's application was declined because the valuer said the property wasn't suitable security. This would have been the same if he'd met with a mortgage adviser sooner.

NatWest told Mr J there was a high demand for meetings with mortgage advisers and offered the first available appointment. I don't think NatWest treated Mr J unfairly when it didn't offer an earlier appointment.

I appreciate that an earlier meeting – and decline – might have meant Mr J applied elsewhere sooner, by up to about a month. Whether this would have meant he'd have been able to secure a mortgage at a better interest rate is unclear. But I don't think NatWest made an error or treated Mr J unfairly. It offered him the first available appointment, and declined his application based on the valuation.

It follows that I don't think it's fair and reasonable to require NatWest to refund the ERC or compensate Mr J for missing out on the benefit of the lower interest rate product he wanted to port or which might have been available from another lender.

NatWest offered £250 for poor service when it didn't initially respond to all of the concerns raised by Mr J. I think this is fair and reasonable in the circumstances.

### **My final decision**

My decision is that National Westminster Bank Plc should pay £250 to Mr J, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 14 September 2023.

Ruth Stevenson  
**Ombudsman**