

The complaint

Mr P complains that Fleet Mortgages Ltd acted unfairly when it failed to provide a mortgage on his buy to let property.

What happened

Mr P applied to Fleet Mortgages for a re-mortgage of his buy to let property in June 2022. The valuation report was completed in early July and Fleet Mortgages provided a mortgage offer on 24 August 2022. The mortgage offer was valid for 90 days from the date of issue and contained a number of special conditions that needed to be satisfied.

A valuation was completed on the property and no issues were raised by the surveyor who completed this. It was noted the property had previous building work completed, but an assumption was made that all relevant permissions were in place for this.

In October 2022, Mr P's solicitor acting for the conveyance provided information to Fleet Mortgages in response to a special condition which referenced the alterations at the mortgaged property. This condition required planning consents and building regulations approvals to have been obtained and in full force in relation to all building work completed at the property.

Mr P's solicitor explained the building works were completed at the property before Mr P purchased it and this was done a number of years ago. It was able to find evidence of the planning permission being granted, but it didn't have confirmation of the work being completed in line with the building regulations at the time. It explained an indemnity could be provided to Fleet Mortgagees to protect it from this not being available and it asked if this was sufficient for the application to progress.

Fleet Mortgages asked the surveyor who completed the valuation on the property whether this would be acceptable. The surveyor said any indemnity wouldn't cover against poor workmanship and it said a warranty or PCC would be needed. If this couldn't be, the surveyor said the property is not considered to be suitable security.

Mr P was later able to obtain a copy of a letter from a chartered surveyor who assessed the property after the building work was completed and it was confirmed the work had been carried out in line with the Building Regulation Act 1984.

Fleet Mortgages passed the information to its surveyor and asked for its opinion on whether it would be ok to proceed on this basis. The surveyor didn't think this was sufficient. They said a regularisation certificate would need to be provided and without this, it didn't think the mortgage could complete. Fleet Mortgages said it was unable to continue with the mortgage until this had been obtained and provided.

Our investigator looked at the complaint and didn't think Fleet Mortgages had acted fairly. She felt it was retrospectively asking for information that wasn't required at the time the building work was completed. So didn't think this was fair and Mr P had provided information which she felt should have satisfied Fleet Mortgages that the mortgage conditions had been

met.

Mr P said he needed to sell his property because of the declined application, but she didn't think Fleet Mortgages could be held responsible for this. But she felt it clearly added distress to the situation and it was right that Mr P was compensated for this distress. She recommended Fleet Mortgages pay £250 to Mr P.

Mr P accepted the recommendation but Fleet Mortgages did not. It felt it had fairly relied on the opinion of its experts when assessing what had been provided by Mr P in deciding if it had met the mortgage conditions. The expert didn't think the information provided was sufficient and it had let Mr P know what it could accept to move forward with the mortgage and completion. When this wasn't provided before the mortgage offer expired, it was unable to progress with the application.

Our investigators opinion didn't change and she felt there was inconsistencies in the information provided by the surveyor and this should have prompted Fleet Mortgages to question whether, what it was told it needed to rely on, was correct. When it didn't do this she felt Mr P had lost out and she maintained it should make a payment for the distress and inconvenience caused.

I issued a provisional decision on this complaint in June 2023. I explained that I felt Fleet Mortgages was entitled to rely on the opinion of a qualified expert when determining whether a property provided suitable security. In this case, I felt it had done this as it asked questions of its appointed surveyor when Mr P's conveyancer highlighted concerns about being able to meet the special conditions of the mortgage.

The mortgage offer expired before Mr P was able to provide the information requested by the surveyor to satisfy it that the property provided suitable security. I didn't think Fleet Mortgages had added any delay in requesting information from Mr P and it acted fairly and reasonably when being directed by the surveyor on what information Mr P needed to provide.

Mr P responded to say he didn't agree that Fleet Mortgages had acted fairly. He believed some of the information initially asked for by the surveyor would not have provided any real guarantee and Fleet Mortgages should have questioned the reasonableness of this. He still feels it is fair that he receives a payment for the distress that was caused when the mortgage didn't complete as a result of this.

Fleet Mortgages responded to confirm it had received the decision but had nothing further to add.

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.

Having reconsidered this complaint and the new information provided by Mr P, I see no reason to depart from my provisional decision. I know Mr P will be disappointed by this, but I'll explain why this is the case.

I understand the strength of feeling that Mr P has about the information requested by the surveyor and the questions over whether Fleet Mortgages should have pushed back on this. But as I've said, Fleet Mortgages are not experts in property valuations or what can and should be taken to provide reassurance when there are questions over historic works. And I think it has acted fairly and reasonably when relying on its expert opinion.

Fleet Mortgages requested anything it needed quickly and I can't see it added any delay to the process. With this in mind and Fleet Mortgages relying on its expert opinion, as it is entitled to do so, I don't think it needs to do anything more in response to this complaint.

My final decision

For the reasons set out above, I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 August 2023.

Thomas Brissenden
Ombudsman