

## **The complaint**

Mr and Mrs F complain that more 2 life Ltd incorrectly valued their property. They said they have spent a lot of money on renovations and believe the property is worth more than the valuation indicated. They are unhappy that their application for further borrowing was declined because of this.

## **What happened**

Mr and Mrs F took out a mortgage with more 2 life on 25 January 2021. The property was valued at £2,300,000 on 27 October 2020.

Mr and Mrs F applied for additional borrowing in early 2022 and a valuation was carried out on 17 May 2022. The property was valued at £2,300,000 but Mr and Mrs F don't agree with this as they said they spent just under £200,000 renovating their property over the last few years – so they don't understand why the value has remained the same. Their broker appealed the valuation and requested another valuation to be carried out by a different company – but Mr and Mrs F were told this couldn't happen. But they said they could arrange another valuation with the same company if Mr and Mrs F wanted one. So a second valuation was carried out in November 2022 which came back at the same value - £2,300,000.

Mr and Mrs F said they had other independent valuers assess the value of their property and it was valued between £2,500,000 and £2,700,000. Mr and Mrs F would like the valuation to be corrected and for the loan to be approved.

Because the valuation was less than Mr and Mrs F expected it to be, more 2 life won't lend them any additional funds so they now can't finish the work to their property.

More 2 life said Mr and Mrs F applied for further borrowing in 2022 for £107,951 which they wanted for home improvements. They said the valuation carried out in November 2022 was less than Mr and Mrs F expected it to be – as they estimated the property to be worth £2,700,000. As Mr and Mrs F disagreed with the valuation, they sent the valuation to their underwriters to review it.

A query was raised with the surveyor about comments which were made about the alterations to the property and the concerns that were raised, but the surveyor responded and confirmed that the valuation would not be impacted by this.

More 2 life said that Mr and Mrs F contested the valuation and sent details of comparable properties to the surveyor on 21 December 2022 and the valuer said they had reviewed these but maintained their original valuation.

More 2 life said the valuation was carried out for the purpose of the additional borrowing that Mr and Mrs F required and it wasn't intended on being a detailed inspection of the property. In order to try and resolve the complaint, more 2 life offered to refund the valuation fee that Mr and Mrs F had paid – but Mr and Mrs F didn't accept this.

Mr and Mrs F brought the complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. The investigator didn't uphold the complaint. He explained our service wasn't able to say if the valuation was correct or not, and we would look at the actions of more 2 life – and he didn't think they had done anything wrong.

Mr and Mrs F disagreed. They said they do not agree that they have been treated fairly by more 2 life and have since found out that they withdrew the offer to pay them back the valuation fee which they do not think is good customer service. They are also unhappy that more 2 life would not arrange a valuation from a different company when they asked for this to happen.

As Mr and Mrs F disagreed with the investigator, they asked for the complaint to be reviewed by an ombudsman, so it's been passed to me to decide.

### **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 looked at everything, I agree with the outcome that our investigator reached. I'll explain why.

As it's already been explained, our service will only look at the actions of more 2 life. We are not able to determine whether the valuation carried out on Mr and Mrs F's property is in fact correct.

I understand that Mr and Mrs F believe the valuation of their property should be higher than it's been valued at, and I know they are disappointed as they are now unable to finish the renovation works they have been carrying out at their property.

As part of their application to borrow additional funds, more 2 life arranged for a valuation to be carried out to determine if they could lend Mr and Mrs F the amount they required – based on the value of the property.

I can see that the original valuation that was carried out when Mr and Mrs F took the mortgage out was £2,300,000. Mr and Mrs F have told us that they spent a considerable amount of money doing up their property by carrying out extensive work - so they think the value of the property should be in the region of £2,700,000 based on other comparable properties in their area.

The first valuation was carried out in May 2022 – when Mr and Mrs F made their application to borrow additional funds. The valuation at this point was £2,300,000. Mr and Mrs F said they expected the value to have increased due to the work they had completed on the property.

Mr and Mrs F via their broker, appealed this valuation and asked if another one could be carried out by a different company, but they were told this couldn't happen. I don't think this is unreasonable. More 2 life used an independent Royal Institute of Chartered Surveyors (RICS) surveyor to value Mr and Mrs F's property – and this is what they were expected to do under the circumstances.

I think it's worth pointing out here that more 2 life are entitled to use the surveyor's that they did, and they don't have to agree to use a different company to value the property.

A further valuation was carried out in November 2022 which came back with a value of £2,300,000 which is the same as it was when Mr and Mrs F took the mortgage out. I understand why Mr and Mrs F may believe this is wrong, especially as they have spent a significant amount of money renovating the property. But there are many factors including how house prices have risen and fallen over the last few years as well as comparing properties that are similar to that of Mr and Mrs F - that are also taken into account. But like I said, it's not for our service to determine if the value should be higher or not.

Mr and Mrs F contested this valuation, and I can see from the contact notes provided by more 2 life that they sent their underwriters a copy of the valuation report for them to review. There were queries raised with the surveyor based on some comments surrounding some of the alterations that had happened on the property where they were unsure if some of the alterations met the specified requirements. I have seen the response from the surveyor who confirmed that even with the comments that were raised, this would not impact the value of the property.

As the valuation wasn't any higher, more 2 life explained to Mr and Mrs F's broker that the application to borrow additional funds had been declined. Mr and Mrs F then sent details of comparable properties in December 2022 to more 2 life and after these were reviewed by the surveyor – the surveyor said they maintained their original valuation.

I have seen the notes that have been provided and it's clear that more 2 life were in communication with the surveyors about the value of Mr and Mrs F's property and details had been submitted to them to review – but the surveyor didn't change his mind and gave details as to why he thought this – based on the comparable property details that had been sent.

I appreciate that Mr and Mrs F are unhappy about this, but more 2 life are entitled to use the expert professional opinion of the surveyor and are guided by the value given in order to determine if Mr and Mrs F were able to borrow any additional funds – which in this situation, Mr and Mrs F were not able to.

While Mr and Mrs F believe their property should be worth more, I think the actions carried out by more 2 life have been reasonable and I cannot agree that Mr and Mrs F have been treated unfairly.

I note that more 2 life offered to refund the valuation fee to Mr and Mrs F which they rejected, and Mr and Mrs F have made a comment that indicates more 2 life have now said they won't be honouring this.

I haven't seen anything from the evidence that I have been provided with that suggests that more 2 life have withdrawn this offer, but if this is in fact the case – I don't believe they have done anything wrong.

The reason for this is because more 2 life's actions in these circumstances have been reasonable. A second valuation was carried out because Mr and Mrs F disagreed with the valuation carried out in May 2022. It was their choice to appeal the first valuation so in this instance, I wouldn't have recommended for the valuation fee to be refunded. But if more 2 life are still willing to do this, and if Mr and Mrs F would like the refund – they should let more 2 life know.

I understand that Mr and Mrs F will be disappointed with my decision, but for the reasons already explained, I'm satisfied that more 2 life have acted fairly under these circumstances.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 8 January 2024.

Maria Drury

**Ombudsman**