

## **The complaint**

Mr B complains about the way Legal & General Home Finance Limited (L&G) handled his application for a further advance on his lifetime mortgage. He disputes the valuation reached by the surveyor L&G instructed, which impacted how much they were willing to lend him.

## **What happened**

Mr B has a lifetime mortgage with L&G. In May 2022 he applied for further borrowing through his Independent Financial Adviser (IFA). On the application form, it was stated the estimated value of the property was £550,000, which Mr B said was provided by a local estate agent company.

As part of their application process L&G instructed a surveyor to value Mr B's property for lending purposes, which he paid for upfront. The valuation report stated Mr B's property had a market value in its current condition of £450,000. As a result, L&G weren't prepared to lend the full amount Mr B had requested.

Mr B challenged the valuation. He felt it had not taken account of the extensive works he'd completed on the property since it was last valued in 2018. He also felt there weren't appropriate comparable properties given the particular details of his own property, and the surveyor would require local knowledge to understand its true value.

Following Mr B's challenge, the surveyor remained satisfied with the original valuation. Mr B decided not to go ahead with the further borrowing and complained. As well as complaining about the valuation reached, Mr B also complained that L&G would not give him the details of the surveyor who carried out the valuation. And the fact that L&G had also referred him to the results of a House Price Index calculator which resulted in a similar valuation to that done by the surveyor, which wouldn't have taken account of the money he'd spent on home improvements either.

L&G issued their final response letter on 24 October 2022. They didn't uphold the complaint. They said whilst Mr B was unhappy with the valuation, they were not in a position to overturn or dispute the valuer's decision and are guided by their professional opinion. They said a human error caused the incorrect estimated value of £465,000 to be given to the surveyor upon instruction, but that figure had no impact on the valuation figure the valuer provided as they carry out an independent assessment of the property. L&G offered to refund the difference in price of a valuation for a property worth £550,000 (which Mr B had paid), and a property worth £450,000, which amounted to £72.

Mr B brought his complaint to our service. Our Investigator considered Mr B's concerns, and explained he didn't uphold the complaint.

Mr B asked for his complaint to be referred to an Ombudsman so the complaint has 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.

Having carefully considered all of Mr B's submissions, I can appreciate he feels strongly about the valuation reached by the surveyor instructed by L&G. It's clear he's invested a lot of money on making improvements to his home since it was last valued, so I can understand why it would be disappointing to learn that the market value as assessed by the surveyor was lower than he'd hoped.

However, as our Investigator has explained, it is not within the remit of our service to decide whether an accurate valuation has been reached. I am limited to considering the actions of L&G during this application and valuation process, and deciding whether they've treated Mr B fairly and reasonably.

As is standard practice, L&G instructed a surveyor to complete a valuation of Mr B's home before deciding how much they would be willing to lend to him. The surveyor L&G instructed was an independent Royal Institution of Chartered Surveyors (RICS) qualified surveyor which is what I'd expect. When making lending decisions, L&G are entitled to rely on the opinion of an independent professional and so I'm satisfied they acted reasonably here by doing so. When Mr B disputed the valuation, L&G engaged with Mr B and passed the challenge to the surveyor. I'm satisfied L&G gave Mr B a fair opportunity to raise his concerns, and passed the challenge to the surveyor for comment.

L&G have accepted they made an error when initially instructing the surveyor, by passing on the incorrect estimated value. L&G recorded the estimated value of £465,000 rather than the figure submitted by Mr B's IFA of £550,000. However, it's the job of the surveyor to complete an independent valuation based on their own opinion and comparable properties. When Mr B challenged the valuation, the surveyor remained satisfied that the valuation had been reached by the most relevant and robust comparable transactions in the immediate locality. Whilst I appreciate Mr B doesn't agree with the comparable properties used, I wouldn't expect L&G to question the reliability of the valuation beyond the challenges that were made here. I'm satisfied it was reasonable for L&G to rely on the valuation reached, and I'm not persuaded the error made by L&G had a material impact on the outcome of Mr B's application.

Mr B is also unhappy that L&G would not give him the details of the surveyor who completed the valuation, as Mr B wanted to raise concerns with RICS separately about the surveyor. As the surveyor was acting on behalf of L&G when carrying out the valuation and not Mr B, I'm satisfied they acted reasonably by deciding not to share the information Mr B requested. Mr B was able to complain to RICS in the absence of L&G providing that information and so I'm not persuaded Mr B has lost out as a result of L&G's actions.

Mr B has also complained about the fact L&G referred him to the outcome of an index linked valuation calculator to support the surveyor's valuation. This calculator had no bearing on the valuation reached by the surveyor and was checked after Mr B had raised his concerns. L&G referred to the calculator to explain why they weren't going to instruct another valuation of the property. I appreciate Mr B was unhappy with the values L&G put into the calculator in the first place (they didn't account for the funds Mr B spent improving his home) but I am not satisfied it was unreasonable for L&G to refer to the calculator when Mr B raised his concerns about the valuation.

Overall, whilst I appreciate Mr B is likely to be disappointed with the outcome of this decision, I'm satisfied L&G have acted fairly and reasonably in relying on the valuation

completed by an independent professional when deciding how much to lend to him.

### **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 B to accept or reject my decision before 8 February 2024.

Kathryn Billings  
**Ombudsman**