

The complaint

Mr B complains that when he was getting a mortgage with Bank of Scotland plc trading as Halifax he got a Level 2 Survey (known as a Homebuyers Report) which missed “*sulphate attack*” in the property. Mr B wants Halifax to pay for a repeat performance of the survey.

What happened

Mr B was buying a house with a loan from Halifax. He says Halifax offered to provide a house valuation and a Homebuyers Report for £445 and Mr B paid for this in December 2021. Halifax engaged a firm of surveyors (I shall call Firm A) to perform the valuation and survey. The house purchase was completed in April 2022 but later it was noticed that the surveyor had missed “*sulphate attack*” in the property. Mr B says an investigation was done and it would cost £26,000 to fix so he complained to Halifax which directed him to the surveyor. Mr B then accepted an offer from Firm A of £25,000 for the diminution in value of the property. But Mr B wants Halifax to commission a repeat performance of the Homebuyers Report to restore his confidence in the property’s condition in case Firm A missed something else.

Halifax say that the contract for the Homebuyers Report was between Mr B and Firm A, and he should address his concerns directly with them. Our investigator said that the actions of the surveyors are outside the remit of this service so did not uphold the complaint. Mr B disagrees and says that his contract is with Halifax who are responsible for the actions of their sub-contractors.

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.

My reading of the documentation here is that Halifax required a valuation to value its security which was the property that Mr B was purchasing. This would be a Level 1 survey. But the customer could also commission a Level 2 Survey or Homebuyers Report. Halifax notes say that as the Survey is for the customer “*the surveyor will contact them direct and send them the appropriate terms and conditions to read sign and return.*” It seems that Firm A sent its terms and conditions for the Level 2 Survey which Mr B agreed to. I note that in a section of that contract there is a reference to the Consumer Rights Act 2015 which deals with repeat performance, and I understand that Mr B has pursued a claim against Firm A for an unsatisfactory report and has received compensation from them.

My view is that in respect of the Level 2 Report, Firm A was not a subcontractor for Halifax - Halifax didn’t require a Level 2 Report - but was acting directly for Mr B and there appears to have been a contract between them. Although Halifax referred Mr B to Firm A it was not responsible for the performance of the contract by Firm A. I can’t see anything wrong with Halifax referring Mr B to a surveyor which had the appropriate qualifications to perform the survey that Mr B required. The fact that Firm A may have performed the task poorly is not the fault of Halifax and Mr B may have recourse to Firm A under the terms of his contract with them which he appears to have done. So, I don’t require Halifax to do anything further

and I don't uphold this complaint.

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 28 February 2024.

Gerard McManus
Ombudsman