

## **The complaint**

Mr M and Mrs P complain that the valuer instructed by Newcastle Building Society failed to identify and comment on problems with the security property. They ask for compensation.

## **What happened**

Mr M and Mrs P applied to NBS for a mortgage to help finance the purchase of a new build property. They say there are numerous issues with the property. The main issue is with the kitchen.

Mr M and Mrs P say the valuer instructed by NBS didn't enter the property. They say the valuer should have re-inspected the property when building work was finished. They say some of the issues, including with the kitchen, would have been obvious if they had.

Our investigator said the valuation was carried out for the benefit of NBS, to help it establish that the property was good security. She said it was reasonable for NBS to rely on the valuation to make a lending decision.

Mr M and Mrs P didn't agree and asked that an ombudsman re-considers the complaint.

## **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.

Mr M and Mrs P have found numerous issues with the property since moving in. This must be inconvenient and upsetting. I hope these problems are fixed within a reasonable time so that Mr M and Mrs P can enjoy living in their home.

Mr M and Mrs P say the valuer instructed by NBS would have seen some of the issues with the property if they'd gone into the property and re-inspected the property when building work was complete.

What I need to decide is if NBS made errors or acted unfairly when it instructed a valuation and offered a mortgage to Mr M and Mrs P.

The valuation was carried out for the benefit of NBS, to establish that the property was suitable security for the loan and to help it make a lending decision.

I'd expect NBS to appoint a suitably qualified person to do the valuation. As it appointed a qualified surveyor (a member of the Royal Institute of Chartered Surveyors (RICS)) I think it did this.

This was a valuation for mortgage purposes and not a full structural survey. The mortgage application makes this clear.

How a valuation is carried out (whether it's "desk top", "drive by" or a physical inspection of the property), and whether the valuer needed to re-inspect the property when building works

were complete is a matter for NBS to decide.

If Mr M and Mrs P wanted a more detailed report or survey of the property, they'd have had to instruct this themselves. If the developer didn't allow access for this, Mr M and Mrs P would have had to decide whether to go ahead with the purchase.

Mr M and Mrs P are unhappy with the quality of the property and with the developer's response to their concerns. They're unhappy that the developer didn't allow them access to the property until late September 2021, which meant they were unaware of the problems. And, from what Mr M and Mrs P say, they don't feel they've had adequate support from bodies responsible for inspecting the building work and helping them get problems put right. While I can understand Mr M and Mrs P's frustration, NBS isn't responsible for this.

NBS appointed a suitably qualified person to value the property, to establish that it was suitable security. I don't think NBS had any reason to suspect there was an error with the valuation that meant it was unreasonable to rely on it. In the circumstances, I think it was reasonable for NBS to rely on the valuation report when it offered a mortgage to Mr M and Mrs P.

I'm sorry to disappoint Mr M and Mrs P, but I'm not upholding 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 M and Mrs P to accept or reject my decision before 9 April 2024.

Ruth Stevenson  
**Ombudsman**