

## **The complaint**

Mr H complains that when buying his home, National Westminster Bank Plc carried out a basic valuation rather than the homebuyers survey he'd requested. As a result a number of defects with the property were not identified.

## **What happened**

In 2008, Mr H took out a mortgage with NatWest to buy a property. He asked NatWest to carry out a homebuyers survey – but it only carried out a basic valuation.

In 2022, NatWest told Mr H that it had not carried out the correct survey. It arranged for a new survey to be carried out and agreed to meet the cost of repairing defects that the new survey identified. It also offered Mr H a total of £2,050 in compensation for any distress and inconvenience caused.

The investigator said that NatWest's offer had resolved all of the issues, apart from those relating to cracks on the external walls of the property. But the investigator thought that NatWest's offer to monitor the property for any movement in the property, pay for a drain survey and to pay £1,005.26 to repair any existing cracks – in addition to its offer of £2,050 for any distress and inconvenience was fair.

Mr H did not accept what the investigator said. NatWest subsequently agreed to offer a further £3,845 to meet the cost of the electrical repairs. The investigator said that was fair as the monitoring of the property had not shown any further movement. Mr H accepted NatWest's offer, but he later changed his mind. He said he wanted NatWest to meet the costs of rendering his home.

Mr H said that he had to take out personal loans to fund the cost of the repairs to his house, which included £2,905 for scaffolding, £3,120.67 to make good cracks and £8,450 to render the property.

Mr H said the property wouldn't have been worth as much as they paid had they been aware of all of the faults before purchase. Mr H said two estate agents agreed and said the property was worth at least £20,000 less than they paid.

NatWest has told us it has already paid Mr H the compensation it agreed totalling £14,424 plus an additional £2,200 it paid directly to a supplier.

## **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.

It isn't in dispute that NatWest has made a very serious mistake here. Mr H paid for a homebuyers survey – but it only provided a basic valuation. As a result there were a number of defects with the property that only came to light when NatWest instructed a new survey.

I am satisfied that NatWest did not treat Mr H fairly or reasonably. It negligently instructed

the wrong type of survey. To put things right, I'd look for NatWest to put Mr H in the position he would have been in had the mistake not occurred – so if he'd received the correct survey in the first place.

When NatWest discovered it had instructed the wrong type of survey, it instructed a homebuyers survey to be carried out on Mr H's home. I'd note the Mr H bought the property in 2008 and the correct survey was carried out in 2022 – that is fourteen years later. There may be defects caused by wear and tear during that time. I would not expect NatWest to compensate Mr H for that.

Where a negligent valuation has taken place, one way to remedy that is to compensate the affected party by paying them the difference between what they paid for the property and the true value – so what it would have been worth had the defects been identified at the time the property was bought.

Mr H said he's spoken to two estate agents who both said the property would have been worth around £20,000 less had the defects been identified. But Mr H has not given us evidence directly from the estate agents. And in any case, we'd need evidence from a suitably qualified surveyor to show what the true value of the property would have been. I do not have sufficient evidence to support that the property was worth £20,000 less than Mr H paid for it. And in my experience, the difference in value would not necessarily cover the full cost of remedying any defects. So it is not always a fair way to put things right.

NatWest has paid the costs of repairing the defects identified in the homebuyers survey. In the circumstances of this case, I think that is a fair way to put things right. It means that Mr H has been paid to put right the defects set out in the survey. That should broadly put him in the position he would have been in had the correct report been carried out.

The remaining dispute is about whether NatWest should pay for the cost of having Mr H's property rendered and if it should also meet the cost of loans Mr H said he needed to take out to cover the cost of the work on the property.

The homebuyers survey identified three areas where there were serious defects that required urgent attention. NatWest has already offered to cover the cost to repair the defects to the woodwork and the electricity. It is the issue relating to the external walls that remains in dispute.

The homebuyers survey said there were several cracks on the exterior walls. The surveyor recommended further investigation and monitoring to see if the movement that had caused the cracks was "*historic, cyclical or progressive*". A structural engineer found that the property was in a "*sound and stable condition*", the cracks were "*negligible, fine or moderate*" and that repairs to the cracked walls was advisable. It recommended the property should be monitored over twelve months to see if movement was ongoing.

The property was monitored – but the readings showed that there was no further movement. The final report said that there were no changes to external cracking and the cracks to below the ground floor reception window and above gable wall windows was "*almost certainly connected with the installation of replacement window units*". The report suggested that the cracked brickwork and render is repaired.

I don't consider the evidence we have said that the whole property needed to be re-rendered. Rather it said that the cracked brickwork and render should be repaired. So I can't see that I could fairly require NatWest to meet the cost of rendering the property. NatWest has offered to pay £1,005.26 to repair the cracks. Mr H said that he paid over £3,000 for that work. But he said he couldn't provide an invoice as the work was completed by a family

member, cash in hand. I am afraid we'd need evidence of the costs to make an increased award. Mr H has had a fair opportunity to provide that evidence but he has not done so. Therefore I can't ask NatWest to do any more.

I note Mr H has also claimed scaffolding costs. While that might be necessary to have the whole building rendered, looking at the cracks that needed repaired, I am not persuaded that scaffolding would have been necessary to undertake the repairs that were required, bearing in mind the number and size of the cracks.

Mr H also said that he needed to take out personal loans to cover the cost of the work totalling £23,000. But that is more than the cost of the repairs that I have found that NatWest could fairly be required to cover. Mr H has not given us any evidence to show that the proceeds of the loan were used to meet the cost of any remedial work to his home. And it is not clear why Mr H obtained the loans when NatWest had already offered to compensate him for the cost of the repairs – albeit not all of the repairs he wanted. So I can't tell NatWest to meet those costs.

That leaves a payment for the distress and inconvenience caused to Mr H by what happened. I don't doubt the sustained distress and inconvenience caused to Mr H by this matter for over a year – and the disruption caused by having work carried out on his home. But NatWest has paid a total of £2,050 to compensate Mr H for that and taking into account the poor service it has offered at times. Looking at the circumstances and what Mr H has told us, I consider that is a fair offer.

I know Mr H will be very disappointed. But, in all the circumstances, I consider NatWest has made a fair offer to settle this complaint. That is not to blame Mr H for what happened or – as Mr H thinks – to let NatWest off the hook. Rather it is after reviewing the evidence I have, I don't consider I could reasonably require NatWest to do any more.

NatWest has told us it has paid Mr H a total of £14,424.84 in addition to £2,200 paid directly to a surveyor for the structural monitoring.

### **My final decision**

My final decision is that National Westminster Bank Plc has already paid a fair amount to settle this complaint. I don't consider it needs to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 July 2024.

Ken Rose  
**Ombudsman**