

complaint

Mr M is unhappy with the advice him and his partner (Miss C) were given by First Complete Ltd when it acted as his mortgage broker.

background

In April 2016 Miss C contacted First Complete to let it know Mr M's offer on the property they were hoping to buy had been accepted. In this email she also explained that Mr M wanted to have a full structural survey on the property due to concerns about wood rot – so she asked how this could be arranged. Miss C says that First Complete then called her and said a Homebuyers report would show any problems with the wood work and that this report was very thorough. So Mr M went ahead with a Homebuyers report only.

Mr M says the report showed no wood rot, so as a result of this they went ahead with the purchase. Once Mr M and Miss C had the keys, they discovered that there was wood rot in the property. They contacted the surveyor who explained that a Homebuyers report didn't involve lifting up carpets or looking under the floorboards, so this was why the rot wasn't seen. It said that they would've needed a full structural survey to get this level of investigation.

Mr M and Miss C complained to First Complete as they said this is the survey they initially asked for, but were advised against. And they said they were told a Homebuyers report would give them the level of investigation needed, including lifting carpets and flooring. They wanted First Complete to provide compensation as they said they would've either not bought the property at all or at least reduced their offer if they'd known about the wood rot.

First Complete said that the report made it clear that carpets and floorboards would not be lifted as part of the investigation. It said the consultant had advised them to get the Homebuyers report first and then from this *they* could decide whether or not to get a full structural survey. And it said the report did enough to highlight to Mr M and Miss C that further investigation was needed – which they chose not to do.

Mr M and Miss C were unhappy with this, so they brought the complaint to our service. Our investigator didn't think First Complete had done anything wrong. So the complaint's now been passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've decided I'm not upholding Mr M's complaint and I've explained why below.

It isn't in dispute that Mr M originally requested a full structural survey of the property when his offer was accepted. But unfortunately there aren't any telephone records available to show what was discussed with Miss C following this request. Mr M and Miss C say they were told a Homebuyers report would tell them whether or not there was wood rot in the property. I can't know exactly what was said in the phone call or what information they were told a Homebuyers report would give them. So I've looked at the report to see what information it did actually provide.

The second section of the report gives a general overview of the inspection that's been carried out. At the bottom of this page the report says:

“Important note: We carry out only a visual inspection. This means that we do not take up carpets, floor coverings or floorboards, move furniture or remove the contents of cupboards.”

The report then gives a condition rating from one to three for each section of the property. A rating of three means there are serious issues which may need repair or further investigation urgently. The sections on the 'Main walls' and 'Floors' (where the rot has now been found) have both been given a rating of three. And I can see in the 'Floors' section it says:

“Where visible, floors have a mixture of vinyl sheet, plain floorboard, modern timber laminate and carpeted finishes. Floor coverings restricted close examination of the floor surfaces.”

Mr M says he was told the Homebuyers report would give him the level of investigation needed, but it didn't as the rot wasn't found. But his timber report says that the rot is *in* the wall and *under* the carpet and floorboards. If Mr M wanted someone to look this closely he needed to get a full structural survey done. I appreciate this is what he originally asked for, but this isn't what he later chose to get. And I think the report makes it clear what level of investigation has taken place. So even if Mr M wasn't clear about this when he instructed the survey, I think he would've been once he received and read it. And I note he didn't complain to First Complete about being mis-led when he first received the report.

Mr M and Miss C have said that, as the survey didn't show wood rot, they were relieved and he went ahead with the purchase. I agree the report doesn't confirm the presence of wood rot anywhere in the property. But it does set out that there are high readings for damp in a number of places. And the main cause of wood rot is damp. So whilst the report doesn't say the house has wood rot, it does highlight that the most common cause for it is present. And, as the floors and walls have been given a rating of three, the report also indicates *urgent* further work is needed.

It's possible that it wasn't made clear exactly what the Homebuyers report would and wouldn't investigate before Mr M and Miss C instructed it. But I think the report itself was clear about this, thorough and does highlight potential problems with the woodwork – so I can't agree with Mr M and Miss C that the advice to get this done first was wrong. I appreciate that, with hindsight, a full structural survey would've been more appropriate. But First Complete couldn't have known this at the time. And I can't hold it responsible for the fact that Mr M and Miss C didn't get further inspections once they received the Homebuyers report, despite the potential defects it raised. So — whilst I appreciate it will be very disappointing for them — I'm not asking First Complete to contribute towards the costs Mr M and Miss C have incurred due to the wood rot.

my final decision

I don't uphold Mr M's complaint about First Complete Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 April 2017.

Amy Osborne
ombudsman