

# Appendix A: Concerns about valuations

Version 2 with effect from 23 April 2024

# Purpose

RICS regularly receives concerns about valuations completed by its Regulated Members. This document is intended to be read alongside Investigating and Managing Concerns and provides the reader with more detail about when RICS will consider concerns about valuations.

## What steps can RICS take?

RICS will only investigate and take disciplinary action in the most serious cases. RICS can take several steps to improve compliance and protect the public interest. The steps may include:

- keeping a record of concerns received about a Regulated Member. This can then be used to build a profile of the Regulated Member and target resources to provide support and feedback to those professionals who need it
- engaging with, and offering advice to, the Regulated Member to improve compliance and the quality of valuations
- offering training courses to Regulated Members
- undertaking a review of the Regulated Member's systems and controls in place
- investigating whether there has been misconduct by the Regulated Member.

## Examples of concerns

### I'm unhappy with the valuation figure

This is a common concern raised by a seller or buyer of a property. Usually, the person raising the concern considers the valuation figure is too high or low. Sometimes this is because the complainant has received a different value from an estate agent or another valuer.

Valuation involves professional judgement and there can be a number of reasons why two valuations are different. A difference does not necessarily indicate any misconduct by either valuer. An appraisal or an estate agent's estimate does not follow the same process as a written valuation and may well be different.

RICS is unlikely to investigate a complaint that a valuation is lower or higher than expected. If there is a variation between two or more written valuations undertaken within a similar timeframe, RICS may consider this further, but is unlikely to do so unless the difference is outside the courts' accepted tolerance in valuations, which takes into account the professional judgement of a valuer.

If a valuation is completed for residential mortgage lending, the client is normally the mortgage lender. If you are unhappy with the valuation, you should contact the mortgage lender who may inform RICS if they too have concerns.

RICS is likely to consider whether the Regulated Member has followed RICS' requirements where there is information to suggest that the requirements have not been followed.

RICS is unable provide an opinion on value and unable to change any valuation figure that has been provided or ask a Regulated Member to do so.

## I'm unhappy with the comparable properties chosen

RICS provides guidance to Regulated Members about how to select comparable properties, but within the boundaries of this guidance the choice of which comparable properties are used in arriving at a valuation figure is down to the professional judgement of the valuer. RICS is therefore unlikely to investigate the choice of comparable properties by a Regulated Member, unless there is something to clearly suggest that inappropriate comparables have been selected, for example, the property is from an entirely different area for a straightforward residential valuation.

## I'm concerned because the valuation for the property is nil

When a Regulated Member values a property at nil, this is usually due to the mortgage lender's criteria for lending on a property. Mortgage lenders can require nil valuations because of the way in which a property was built or concerns about cladding or structural problems. RICS is unlikely to consider these concerns because the Regulated Member is acting in line with the instructions of their client.

From time to time a Regulated Member may make a mistake when evaluating the property against the lender's criteria. RICS is unlikely to consider a mistake made in these circumstances because single mistakes or omissions of this kind will not be serious enough to amount to a breach of the rules of conduct. You should raise your concern with the mortgage lender.

## I'm unhappy that the valuation has been shared with a third party

A valuation should not be shared with a third party unless there is permission to do so.

If you are the client, you should check your terms of engagement to see whether they allow for the valuation being shared with any third parties. You can ask the Regulated Member for their Complaints Handling Procedure and make a complaint.

RICS is unlikely to investigate a Regulated Member for a single instance of disclosing a valuation without permission to do so, however it will make a record of this and if there appears to be pattern of this behaviour further steps may be taken.

## Other resources

Clients can ask the Regulated Member for its Complaints Handling Procedure (CHP) and make a complaint to them. If the complaint is not resolved with the Regulated Member, clients may

escalate their concern to the Regulated Member's Alternative Dispute Resolution (ADR) provider, who may be able to award redress. The ADR provider must be listed within the CHP.

However, this process is not open to others who are not the valuer's client, for example the borrower in a case where the mortgage valuation has been completed for a lender. Concerns can be raised with RICS by non-clients, which would be considered in line with this document and other relevant RICS guidance.

## Concerns about whether an EWS1 is necessary

In March 2021 RICS published valuation guidance relating to the valuation of properties in multi-storey, multi-occupancy residential buildings with cladding. This guidance is not a mandatory requirement but a useful aid in decision-making. The guidance sets out criteria for when an EWS1 form may be required.

The guidance states, 'A valuer should always have a rationale to justify the request for an EWS1 form' and 'A valuer should also follow any guidance issued by their lender client'. In cases where the valuer provides a valuation for mortgage lending purposes, the valuer will be guided by the instructions provided by its client, the lender. The lender will likely set out specific criteria for the valuer to follow. The decision on whether an EWS1 is required is dependent upon detailed instructions received by the client, and the valuer exercising professional judgement; for this reason, RICS is unlikely to investigate such concerns, or adjudicate, or provide an opinion, on whether the decision to request an EWS1 was correct.

If you have concerns about the effects of cladding and the valuation of your property, you should consider raising your concerns with your mortgage broker.

For further information please visit RICS' [FAQ page on Cladding EWS](#).

## Concerns about whether an individual is qualified to complete/sign-off an EWS1

RICS can only investigate those individuals who are Regulated Members of RICS. Not all individuals who are certified to complete an EWS1 form are RICS members.

If the individual who completed the EWS1 form is not a Regulated Member of RICS but is a member of another professional body, RICS may refer your concerns to that body. To ensure your concerns are dealt with swiftly, you should approach that professional body in the first instance.

If RICS receives concerns that a Regulated Member of the profession is completing EWS1 forms when they are not competent or qualified to do so, RICS is likely to investigate those concerns.

For further information on who can carry out the EWS assessment, and their expertise, please visit RICS' [FAQ page on Cladding EWS](#).

## Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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