

The complaint

Mrs L complains that she was mis-sold a boiler partly financed by a fixed sum loan agreement with Mitsubishi HC Capital UK Plc trading as Novuna Personal Finance (Novuna) . She would like the finance agreement cancelled, and her deposit refunded.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead I will focus on giving the reasons for my decision.

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.

Having done so I have reached the following conclusions:-

- Mrs L had two issues with her boiler the first being the need to replace the first boiler installed and carry out some remedial work. The second related to running costs which she feels were misrepresented to her. Novuna considered a Section 75 claim for Mrs L. For a Section 75 claim to succeed there needs to be evidence of a breach of contract or misrepresentation. In terms of breach of contract Novuna investigated the claim but couldn't uphold it as remedial work had been carried out, with the boiler then receiving the appropriate certification. I think Novuna's conclusion was fair in the circumstances.
- In terms of a possible claim for misrepresentation Mrs L's feels the running costs were misrepresented to her. Novuna didn't feel Mrs L provided sufficient evidence of this so it didn't uphold her Section 75 claim on this basis either. I think, based on the information Novuna had, which was primarily Mrs L's recollection that the sales agent advised her the costs would be £20 per week, its conclusion was reasonable.
- I have carefully considered all the information Mrs L has provided in relation to running costs and I am afraid I can't agree the boiler was mis-sold to her on this basis. I have seen a document on the typical running costs given to Mrs L - this shows typical running costs for two different sized properties but does state running costs can vary due to a variety of factors such as use and insulation. I think typical running costs can only ever be a rough guide since usage could vary enormously between two similar properties simply based on lifestyle alone.
- I appreciate Mrs L provided an electricity bill to show extra costs but I understand the new boiler was an electric one replacing a gas one . So, if previous heating and hot water were provided by a gas boiler I would expect Mrs L's electricity bill to increase on installing an electric boiler. I also think as Mrs L sold her property 7 months after the first boiler was installed , and 2 months after the replacement was installed she didn't have enough use of the new boiler to show any ongoing increase.
- Mrs L has provided us with information on undertakings by the company she bought

the boiler from to her local council trading standards team. She feels this demonstrates the company's poor sales practice. But this information relates to the sale of heaters not boilers so it's not relevant to Mrs L's complaint. The document does give some general undertaking that any money savings claims are supported by some qualification . I think in Mrs L's case she had that qualifiicator in the running costs document which stressed that running costs can vary with some examples given as to what can affect the running costs.

- Finally, Mrs L has sent us Facebook comments on the company she bought the boiler from. This information is unsubstantiated and doesn't relate specifically to Mrs L's complaint so it's not something I can consider.
- I don't think I can reasonably ask Novuna to cancel Mrs L's finance agreement and refund her deposit as she has asked. I think it fairly didn't uphold her Section 75 as the merchant rectified issues with the boiler, and there was no evidence to support misrepresentation of running costs.
- I have noted that Novuna has offered Mrs L £150 compensation for the delay in handling her complaint. I think that is a reasonable level of compensation as Mrs L raised her complaint in August 2021 with Novuna issuing its final response letter inf February 2022

decision

My final decision is that Mitsubishi HC Capital UK Plc trading as Novuna Personal Finance has already made an offer of £150 to settle this complaint which I think is fair in all the circumstances

So, in full and final settlement , Mitsubishi HC Capital UK Plc, trading as Novuna Personal Finance should pay Mrs L £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 5 December 2022.

Bridget Makins
Ombudsman