

The complaint

Ms L complains about supply and installation of goods financed through a fixed sum loan agreement with Mitsubishi HC Capital UK Plc trading as Novuna. She would like remedial works completed.

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:-

- There is no dispute that there were issues with the supply and installation of a shower. I understand Novuna closed Ms L's claim in December 2018 as Ms L chose to refer her complaint to the Home & Furniture Improvement Ombudsman which found in her favour and awarded compensation of £750. As I understand it Ms L raised a Section 75 complaint in 2021 due to further issues with the shower and it is this complaint that is being dealt with here
- For a Section 75 claim to be pursued there needs to be evidence of a breach of contract or misrepresentation. I understand Ms L hasn't been able to provide details of the original contract. However, as the merchant has offered a refund of £2826.80 I think it must have accepted there was a breach of contract for which the merchant and Novuna are jointly and severally liable
- The merchant offered to either pay for a fitter to remove and refit the shower enclosure, tray and splash wall or pay a pro rata refund of £2826.80 – approximately one third of the original cost of the shower purchase and installation. The merchant advised that as it was struggling to find a fitter that a refund would be more appropriate leaving Ms L free to make her own arrangements. Novuna agreed with this. Given the history of this complaint and the delays to date I agree with Novuna that a pro rata refund would be a better resolution.
- Ms L has asked how the refund sum offered has been arrived at. From what I understand the merchant made the pro rata offer in settlement of all issues. I would agree with Novuna that this seems to me to be a reasonable sum. I wouldn't expect a full refund for several reasons. Ms L has had use of the facility, albeit I accept given the issues not the full use she might have expected, I understand some items can be refitted and Ms L has already had some compensation awarded by the Home & Furniture improvement Ombudsman and by Novuna.
- Ms L originally told us she had been advised the remedial work would cost over

£6000 but didn't evidence this. She has since supplied a quote for just under £12,000 which seems excessive given her first indication of potential costs. Whilst I acknowledge the quote Ms L has provided, for a Section 75 claim we would expect to see some independent evidence. For example, an independent report confirming the issues, why they have arisen, what remedial work needs to be done and why, along with costs not just a standalone quote. So, whilst I acknowledge the quote Ms L has provided it isn't sufficient for me to say that Ms L should be awarded £12,000 as she would like.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement Mitsubishi HC Capital UK Plc trading as Novuna should pay Ms L the sum of £2826.80.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 30 November 2023.

Bridget Makins
Ombudsman