

The complaint

Mr C complains that Mitsubishi HC Capital UK Plc, trading as Novuna Personal Finance, won't refund him for issues relating to home improvements.

What happened

From around April 2023 Mr C used finance from Mitsubishi HC Capital UK Plc, trading as Novuna Personal Finance ('Novuna' hereon) to pay for the supply kitchen, bathroom and bedroom units by a supplier. Mr C used a third party installer to install all of the units and items. Mr C says that from the outset there were problems and he repeatedly to call out the suppliers to deal with issues with what was supplied. The suppliers attended and plans were redesigned. Certain units supplied were no longer needed and the Supplier took those back and refunded them. After a significant period of time he says he was fed up with this and so he complained to Novuna.

Novuna said that it had considered the matter carefully. It noted that the supplier had said that items had been added to the house between measuring up and supply and it wasn't responsible for those additions making the plans wrong. It said the supplier had attended and redesigned areas to accommodate the issues that had become apparent and that it had refunded Mr C for some units that were no longer needed. So that's why it didn't refund him.

Mr C didn't think this was fair, so he brought his complaint to our service. Our investigator looked into the matter. She felt that Mr C hadn't made out his arguments sufficiently and that a breach of contract under Section 75 of the Consumer Credit Act 1974 hadn't been made out. Accordingly she felt that Novuna hadn't treated Mr C unfairly by not refunding him. Mr C didn't agree. So the complaint has been passed to me to decide.

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.

I should make very clear that this decision is not about the supplier here, which isn't a financial services provider and doesn't fall within my remit. Whatever the issues there maybe with the items supplied, and just because Mr C says he has lost out, it doesn't necessarily follow that Novuna has treated Mr C unfairly or that it should refund him. And this decision is solely about how Novuna treated Mr C. I hope this point is clear.

The Consumer Credit Act 1974 (the 'CCA' for short)

The CCA introduced a regime of connected lender liability under Section 75 of the CCA that afforded consumers ("debtors") a right of recourse against lenders ("creditors") that provide the finance for the acquisition of goods or services from a third-party merchant (the "supplier").

A business such as Novuna can only be held responsible under S75 of the CCA if certain requirements are met *and* if there is breach of contract or misrepresentation of the contract

and if there is that it also means that Mr C has lost out as a result. Here I'm satisfied the financial limits and Debtor Creditor Supplier requirements are met. So I next need to consider whether there is either a material misrepresentation or a breach of contract.

Mr C's main issue here is with the measuring up and design of the rooms in the property that he was renovating. He says this wasn't done properly so that his installer couldn't install all the items as had been planned. Mr C this led to extra costs for him as the installer had to do a number of days of extra work in order to put all the various units into the respective rooms properly. Mr C says this led to him spending a lot of time sorting it out and that he lost income as a result. Mr C wants this income refunded by Novuna, the costs of his installer refunded and compensation of £2500.

Here the test is, did Novuna consider the S75 claim to it fairly. In order to do this it should consider the contract agreed fairly and then consider what happened in the light of the agreed contract. It is important to note that the house where these items were supplied to be installed has since been sold by Mr C so there is no opportunity to inspect the works done. We are wholly reliant on the pictures Mr C took and the evidence supplied by Mr C and Novuna.

I've considered the contract carefully. I note that it was supply only as Mr C says. Mr C's installer was responsible for installation. Critically though the contract is also clear on other key issues in this case in that in the supplier's terms and conditions it says *"Our Room Design Solution is a tool provided free of charge and is there to assist You with planning Your room design and/or calculating the required number of Products necessary for Your room design."* It also says *"You will be responsible for checking the accuracy and suitability of the plan and units specified to ensure it meets Your requirements as well as any resulting quotation before committing yourself to an order. We will not be responsible for any errors in the final design or inaccuracy of the measurements."*

In sort although the supplier sent someone out to measure up, this service was free and Mr C was responsible for ensuring that what was ordered was correct and that the supplier wasn't responsible for wrong measurements under any circumstances. So any issues stemming from the measuring up and inspection were Mr C's responsibility not the suppliers. Accordingly Novuna couldn't be responsible for these issues in any event.

I also note that Novuna sourced the comments of the supplier's representative that attended the property at the time. They note that significant items were added to the property between attending and the supply of the units which compromised the plans made. So the issues stemming from this also are Mr C's responsibility not the supplier.

Lastly the supplier noted that it liaised with Mr C as best it could to assist when the issues arose and refunded some units that were no longer necessary and helped change the plans. It's clear from the terms and conditions it didn't need to do this. It also noted that the installer didn't follow the plan at one stage. So I don't think Novuna have to do anything for these issues either.

Ultimately as a supply only contract the only thing Novuna was responsible here was the satisfactory quality of the materials supplied. I've seen no persuasive arguments from Mr C on the quality of the goods supplied so I don't see any persuasive reason to conclude that Mr C has been treated unfairly.

In response to the investigator's assessment Mr C says she didn't consider the issues with the bathroom. But for the same reasoning, that is the measuring is Mr C's responsibility, I don't think Novuna has done anything wrong here. Mr C says he's been in contact with his solicitor about the matter. If Mr C wishes to pursue the supplier through legal action that is

up to him. However this decision brings to a conclusion this service's involvement in the dispute between Mr C and Novuna. I am not persuaded it has treated him unfairly here. So Novuna doesn't have to do any more.

My final decision

For the reasons set out above, I do not uphold the complaint against Mitsubishi HC Capital UK Plc, trading as Novuna Personal Finance. It has nothing further to do here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 December 2024.

Rod Glyn-Thomas
Ombudsman