

The complaint

Mr D complains about the way Mitsubishi HC Capital UK PLC trading as Novuna ('Novuna'), handled his claim for a refund.

What happened

In January 2024, Mr D took out a fixed term loan agreement with Novuna of just over £4,000 to fund the cost of the supply and installation of a cylinder and boiler - both the supply and installation was carried out by a firm I'll refer to as 'T'. However, there was a fault with the cylinder and after it was established by T that this was due to a manufacturing fault, it reimbursed Mr D for the cost of repair which was carried out by his own plumber (the 'plumber') who was a 'Gas Safety' registered tradesperson. T also refunded Mr D for costs associated with the faulty cylinder.

Mr D tells us he subsequently found out there was a problem with the boiler as well. He said the pressure reading wasn't correct and he also didn't think T had sealed the flue correctly. Mr D tried to claim via Novuna under section 75 of the Consumer Credit Act 1974 ('section 75'), but it declined his claim. In essence, it said it wanted the opportunity to independently assess whether the boiler was, in fact, faulty. Mr D said he and his wife didn't want T to carry out the work, which he said Novuna would've insisted on if there was something wrong with the boiler. So, he instructed his plumber to carry out what he considered to be necessary repairs to the boiler (changing the pipework and sealing the flue). Novuna wouldn't reimburse Mr D for the costs he incurred so he referred his complaint to us.

Our investigator didn't think the complaint should be upheld. Mr D asked for an ombudsman to review matters.

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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. However, I've given careful consideration to all of the submissions made before arriving at my decision.

I don't think there's any dispute that Mr D met the conditions to make a section 75 claim under the Consumer Credit Act 1974. So, this has formed part of my considerations as have other relevant law including the Consumer Rights Act 1974 (satisfactory quality, not fit for purpose etc).

Whilst I sympathise with Mr D's situation, I don't think Novuna were being unfair or unreasonable for asking for an independent assessment of the boiler. I accept Mr D's plumber is clearly qualified to do any of the repairs that would be needed if the boiler had been faulty. But due to the plumber benefiting from any potential remedial works, I can't fairly or reasonably say Novuna were wrong to say that this particular person couldn't be classed

as 'independent'.

Further, in my view, before asking for an independent assessment, Novuna (via T) took fair and reasonable steps to understand whether there was a problem with the boiler. In particular, T spoke directly with the manufacturer about the pressure readings and the manufacturer confirmed the readings were within the expected tolerance. However, Mr D went ahead with the works without first obtaining agreement from Novuna or T about covering the costs or allowing an independent assessment of the boiler.

I note Mr D did the same with the cylinder in that he arranged repairs to be carried out by his plumber before Novuna, or T, agreed to cover the costs. This was quite understandable in that situation as there was a leak causing damage to his property. However, it was fortunate in the case of the cylinder that T was still able to examine it after it'd been removed and establish it was, in fact, faulty. So, T agreed to pay for the repairs and cover some consequential damage costs which Mr D has confirmed has been paid. In terms of the boiler once again Mr D arranged for his plumber to carry out what he considered to be remedial works. But on this occasion, it doesn't seem possible to carry out an independent assessment in the same way T was able to do with the cylinder. As noted above, neither Novuna nor T agreed to cover the cost of any works.

I appreciate Mr D's experience with T, from what he described, wasn't the best. And I note what he says about his wife being particularly upset about the thought of T's agents returning to do any remedial works. However, that doesn't mean Novuna was being unreasonable here. Unlike the situation with the cylinder, I can't see there was any immediate need to carry out the works and/or deny Novuna or T the opportunity to arrange an independent assessment of the issues Mr D was unhappy with.

Taking all the circumstances of this case into account, I think Novuna handled Mr D's claim fairly and reasonably. So, whilst I understand Mr D will be disappointed with this outcome, I'm not upholding this complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 October 2025.

Yolande Mcleod
Ombudsman