

The complaint

Mr H complains that Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance (Novuna) declined to offer him a loan.

What happened

My provisional decision of 31 March 2025 set out the background to this complaint:

“In January 2024, Mr H applied for a loan with Novuna to pay for a retail purchase. Mr H was over 80 years old and applied to borrow around £11,300 to be repaid over 48 months. Novuna declined Mr H’s application whilst he was in the retailer’s store. Mr H was embarrassed his application was declined and complained to Novuna.

In its final response to Mr H’s complaint, Novuna said there were factors other than Mr H’s credit score taken into consideration when assessing his application. But Novuna said it was not its policy to disclose these factors and was unable to give further details.

Unhappy with this response, Mr H referred his complaint to our service. Mr H highlighted that Novuna said it has a responsibility to ensure any credit provided is affordable and sustainable. Mr H says the borrowing was clearly affordable, so Novuna must have been concerned about the loan’s sustainability because of his age, which was discrimination. Mr H added the retailer and potential customers should be aware of any restrictions on lending due to age.

Having assessed the information provided by Novuna, our Investigator didn’t think Novuna had acted unreasonably in declining Mr H’s application. In response, Mr H asked whether Novuna was allowed to discriminate on the grounds of age, and if Novuna was obliged to disclose its policies. Mr H’s complaint was referred to me for a decision.”

I then set out my provisional findings:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I don’t think I properly decide this complaint without confirming Mr H’s age was a factor in Novuna’s decision to decline his application.

It may be helpful to explain that under the Equality Act 2010, financial services providers may make decisions based on age when providing their services if they have carried out a risk assessment based on age and relevant information from a source on which it’s reasonable to rely. Only a court can decide if the Equality Act has been breached, but I have taken the law into account when deciding whether Novuna has treated Mr H fairly and reasonably.

Here, Novuna has provided the information it used to set its lending criteria (which is commercially sensitive information that Novuna is not obliged to share with Mr H). Having reviewed this information, I think Novuna has shown it considered relevant information when

setting its criteria. So, I don't think Novuna acted unreasonably in setting its lending criteria here. Mr H did not meet Novuna's lending criteria, so I don't think it was unreasonable or unfair for Novuna to decline his application.

I agree with Mr H that it would have been helpful for Novuna to disclose any age limits for borrowing in advance – many other lenders do disclose lower and upper age limits for borrowing on their websites, for example. But it was not obliged to publish this information, and I cannot compel Novuna to change its processes and alert retailers or consumers about age limits on its lending criteria.

Here, Novuna says the role of the retailer's staff is limited to explaining the product Novuna offers and supporting a customer when filling out an application. Novuna says the retailer's staff wouldn't have known its lending criteria, so wouldn't have been in a position to notify Mr H that he was not eligible for the loan he applied for. I realise Mr H would have been spared embarrassment, but as Novuna wasn't obliged to disclose its upper age limits for lending, I've not awarded compensation on this basis."

In response, Mr H asked what the relevant information and reliable source Novuna considered were. I explained to Mr H that Novuna is not required to disclose to you the information used to set its lending criteria. So, I'm not in a position to discuss the data in more detail. However, I can confirm it used appropriate internal and external data and I think Novuna acted reasonably in setting its lending criteria.

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 have not been provided with new evidence or arguments to consider, so my provisional decision, outlined above, remains unchanged.

My final decision

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 May 2025.

Victoria Blackwood
Ombudsman