

The complaint

Mrs O complains Mitsubishi HC Capital UK PLC, trading as Novuna Personal Finance (“Novuna”), handled her claim under section 75 of the Consumer Credit Act 1974 unfairly.

What happened

As the facts are well-known to both parties, I’ve set out the key events below.

On 7 January 2024, Mrs O bought a sofa suite in the colour “espresso” from a retailer (“R”). The order included leather care kits, insurance, and a sofa “eaziglide”. Mrs O says she paid £800 extra to upgrade the leather. The total price was £4,815.

Mrs O paid a £1,000 deposit with her bank card and financed the remaining £3,815 with a fixed-sum loan provided by Novuna.

Mrs O said she noticed the sofas were the wrong shade of brown when it was delivered on 28 March 2024. She also received leather care kits for standard leather, which she said suggested she received lower-grade leather than ordered.

She complained to R on 30 March 2024. R collected a leather sample from under one of her sofas, inspected it and concluded she received what she paid for. It refused to refund her.

On 7 April 2024, Mrs O asked Novuna to accept liability for breach of contract under section 75 Consumer Credit Act 1974 (“section 75”) due to the goods not matching their description. Novuna gathered evidence from Mrs O and R and considered arranging an independent expert to determine if the colour and quality of the leather were within reasonable tolerances.

R didn’t accept it sent the wrong goods but agreed to collect them and issue a full refund, less a £429.70 return fee. In June 2024, Novuna said that instead of paying for an expert report, it would cover the return fee to ensure Mrs O doesn’t lose out financially. It also paid Mrs O £100 compensation for claim delays. Mrs O declined the offer and returned the £100, as she was unhappy R wouldn’t formally be held liable for sending her incorrect goods.

Separately, in June 2024, Mrs O raised a chargeback for the £1,000 deposit paid with her bank card that was eventually successful.

Our investigator said Novuna’s offer was in line with the remedies outlined in the Consumer Rights Act 2015 (CRA) following a breach of contract. Overall, she didn’t think Novuna acted unfairly. As Mrs O disagreed, the complaint has come to me for a 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality. I'd like to assure both parties I've carefully considered everything they've sent.

It's important to note that Novuna didn't supply the sofa suite. Its role is limited to what would reasonably be expected of it as a provider of financial services. In that respect I consider section 75 to be particularly relevant here. The key issue for me to consider is whether Novuna acted fairly when handling Mrs O's section 75 claim.

I know it will disappoint Mrs O, but I don't think Novuna has acted unfairly for broadly the same reasons as our investigator's. I'll explain why.

Section 75

When something goes wrong and the payment for goods is made with this type of credit, it might be possible to make a section 75 claim. This section of the Consumer Credit Act 1974 says that in certain circumstances, the borrower under a credit agreement has a like right to claim against the credit provider as against the supplier if there's either a breach of contract or misrepresentation by the supplier.

I'm not determining the outcome of a claim that a party might have under section 75. But I take section 75 into account when I think about what's a fair way to resolve the complaint. I don't have to reach the same view as, for example, a court might reach when considering breach of contract or misrepresentation. From what I can see, all the necessary criteria for a claim to be made under section 75 have been met.

The Consumer Rights Act 2015 (CRA) is the relevant legislation here. The CRA implies terms into a sale of goods contract that goods should be of satisfactory quality when supplied. The quality of goods is satisfactory if they meet the standard a reasonable person would consider satisfactory, taking into account any description of the goods, the price, and other relevant circumstances. The goods must also match any sale samples.

I've thought carefully about Mrs O's evidence, including her account of what happened, colour spectrometer analysis, her invoice, photos of the sofas and swatches of the leather she was meant to receive. Mrs O also pointed to changes in R's position. R initially said she ordered standard leather, but later accepted she ordered the upgraded leather, while still maintaining she received what she ordered. Mrs O also highlighted discrepancies between hers and R's invoice, which she feels R doctored.

All parties accept the photographs show the delivered colour looks different from the store swatch. But what's disputed (and unclear) is whether that colour is within reasonable tolerances given leather, as a natural product, is expected to show some colour variation. It's also not clear from the photos whether the variation in the grain is indicative of a lower quality leather or, as above, also within reasonable tolerances.

In short, I cannot see there's enough of a difference here in either the colour or grain of the leather that persuades me Mrs O received the wrong sofas. So like our investigator, I don't think Mrs O had done enough at the time to show there's a breach of contract.

I appreciate an independent expert could have clarified if she received the right sofas. I accept Novuna originally asked R to consider arranging an expert to inspect the sofas. And following its refusal, Novuna then considered commissioning an expert itself. But it's important to note that Novuna is not obligated to pay for an expert report and I'm not persuaded Mrs O's circumstances required it to offer one here. There's also nothing I can see preventing Mrs O from commissioning her own report.

Given the inconclusive evidence, I find that Novuna was entitled to insist on expert evidence before accepting liability. Instead, it chose a practical alternative — funding R's £429.70 collection fee to ensure Mrs O is in the same financial position as a short-term right-to-reject outcome under section 20 CRA. I consider that a fair and pragmatic response and ensures Mrs O does not lose out financially following her rejection of the goods.

Notably, Novuna's alternative solution is quicker and eliminates the risk of either an expert finding against Mrs O, or further evidence coming to light later that might undermine her claim. If that happened, Mrs O might have to pay the return fee herself.

Taking all that into account, I find Novuna's offer to be proportionate and pragmatic. It strikes a fair balance between Mrs O's wish to definitively show R had breached the contract and the risk of her suffering financial loss following any further investigation. I'm satisfied Novuna met its regulatory obligations to treat Mrs O fairly and ensure a good outcome.

Responsibility for R's conduct

Mrs O complained about the way R handled her claim and how distressing it was for her and her family. She said R acted fraudulently and Novuna ought to take some responsibility.

While I understand why Mrs O is upset with R, I don't find that Novuna is responsible for R's service. R is a separate entity from Novuna and outside its control. Novuna's main responsibility as a financial services provider is to handle Mrs O's section 75 claim fairly.

Novuna's Claims handling

Novuna misplaced Mrs O's original claims letter dated 7 April 2024. It also failed to respond to her email attaching the same letter, sent on the same day. It wasn't until Novuna contacted Mrs O on 9 May 2024 that it notified her that she needed to fill in a claims form.

Novuna paid Mrs O £100 for the approximate four-week delay in handling her claim. I think that amount is a fair reflection of the distress and inconvenience caused to Mrs O. As Mrs O returned the money, the £100 is an outstanding amount that must be paid back to Mrs O.

Following the delay, Novuna completed its investigations and offered to cover the £429.70 return fee during a call on 24 June 2024, around six weeks after Novuna continued with her claim. There was significant, relevant correspondence between the parties in this period. I've not seen any further undue delay or other unfairness in Novuna's claims handling.

I appreciate that might feel too long to Mrs O. In support, she mentioned her chargeback dispute with her bank only took three days before she was given a refund. However, a chargeback is a distinctly different process from a section 75 claim. Chargebacks often involve a temporary refund before investigations ensue and a chargeback is settled. And for this chargeback in particular, it wasn't finalised until over five weeks after Mrs O raised it.

That's not dissimilar to how long it took Novuna to make its offer to cover R's return fee following the four-week delay. Aside from this delay, I find Novuna completed its investigations and came to a fair offer within a reasonable time.

Mrs O rejected that offer and has since kept the sofas wrapped in bubble-wrap, preventing the use of her lounge and causing her and her family distress. I sympathise with Mrs O for the disruption caused. However, as I don't find Novuna acted unfairly, I won't be directing it to compensate Mrs O for the disruption caused to her from retaining and storing the sofas.

New evidence

Mrs O sent an expert report to our service supporting her position on 18 September 2025, around 15 months after Novuna first made its offer. This report is dated 7 August 2025.

Mrs O would like me to take this report into account in my decision. However, my role here is to determine if Novuna acted fairly when handling Mrs O's section 75 claim in 2024 — and as Novuna didn't have a copy of the expert report when it decided the claim in June 2024, and couldn't reasonably be expected to have a copy, I can't fairly take it into account now.

That said, my decision doesn't prevent Mrs O from asking Novuna to consider a new claim under section 75 in light of the new evidence.

Available offers

Novuna has confirmed that R's offer to collect the sofas, cancel the agreement, and issue a refund less a £429.70 return fee is still available. Novuna has also confirmed it will cover that return fee. I leave it to Mrs O to decide whether she'd like to accept those offers.

For the reasons above, I'm not asking Novuna to do anything more than repay Mrs O £100 for the claim delays. It's up to Mrs O to decide if she wants to accept any outstanding offers and I leave it to her to contact those parties to arrange a return of the goods.

My final decision

My final decision is that I direct Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance to pay Mrs O £100 for the claim delays.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 24 October 2025.

Alex Watts
Ombudsman