

The complaint

Mrs O complains about the way in which Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance ("Novuna") handled her claim in relation to the quality of a car she purchased in 2018 using a fixed sum loan agreement from Novuna. Mrs O says she raised a claim in July 2021 but never received a response from Novuna.

Mrs O is also unhappy about a three-year guarantee which was included as part of the finance agreement. She says this should've been supplied free of charge but instead she's been charged for it and has paid interest on it.

What happened

In February 2018 Mrs O was supplied with a car and entered into a fixed sum loan agreement with Novuna.

In June 2021 Mrs O contacted Novuna to say she had experienced issues with the car since purchase. The issues raised were:

Number plate bulbs not working

Roof rack trims weren't secure

Engine start button sticks

Front brake pads squeak

Handbrake loose

Front tyres worn

Keyfob battery flat

Heat shield loose

The car was an ex-company car but Mrs O hadn't been made aware of this

Back bumper paint chipped

When Novuna received Mrs O's complaint they raised a Section 75 claim to investigate. Novuna obtained information from the supplying dealer (Stoneacre). The supplying dealer said it had addressed all of the concerns raised by Mrs O (including repairs) and hadn't received any complaint from her since September 2018. The supplying dealer said it wasn't aware of any repairs to the back bumper but said that at the time of sale Mrs O had signed the vehicle order form to confirm that she was happy with the vehicles condition.

Novuna issued a final response on 27 August 2021 in which it said it wasn't upholding the Section 75 claim. It said there was no evidence to suggest that there were any current faults with the vehicle.

In March 2024 Mrs O raised a complaint with Novuna and said she'd never received a response to her claim. She added a further complaint, saying that the supplying dealer had charged her £499 for a guarantee which was free but shows up as a warranty on her agreement.

Novuna didn't uphold the complaint. In its final response dated 15 November 2024, it said it had reviewed the information regarding the guarantee and found that Mrs O had purchased a three-year warranty. Novuna said the warranty had an initial cost of £499 and that it would be renewed every year free of charge, provided that the vehicle was serviced and maintained in accordance with the agreement.

Mrs O remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that although there had been some issues with the car, the evidence showed that the supplying dealer undertook repairs to put things right. The investigator said he could see that the car had been driven 60,000 miles since those repairs were carried out which showed that the repairs were successful. The investigator said there was no evidence to show that there were any current faults with the car.

In relation to the warranty, the investigator said he wasn't persuaded that this had been mis-sold, or that Mrs O had been charged incorrectly for it. The investigator said that although Mrs O had complained that Novuna never responded to her complaint about the quality of the car, he could see that Novuna had issued a final response to Mrs O on 27 August 2021 at the same address which she had given to this service.

Mrs O didn't agree. She said she was still confused by the warranty/guarantee. She said she'd never received the final response from Novuna in August 2021 and suggested that this letter could've been faked. Mrs O queried why Novuna had sent her a letter dated 15 November 2024 if they'd issued a final response in 2021.

Because Mrs O didn't agree I've been asked to review the complaint.

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 know it will disappoint Mrs O, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment in it in order to reach what I think is the right outcome.

The Consumer Rights Act 2015 is relevant to this complaint. This says that cars must be of satisfactory quality when supplied. Cars are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account things like the age and mileage of the car and the price paid. Satisfactory quality includes fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

When the car was supplied to Mrs O it was three years old and had covered around 45,000 miles. So, it's reasonable to expect that the car already had a degree of wear and tear and that it would require more repairs and maintenance than, say, a brand-new car.

I've taken into account what Mrs O has said was wrong with the car. The issues are listed above. I can see that when Mrs O made the supplying dealer aware of the issues, they carried out repairs.

Under the Consumer Rights Act 2015, where a car has faults which render it of unsatisfactory quality in the first six months, the supplying dealer is allowed one opportunity to repair the car and bring it back up to satisfactory quality. Based on what I've seen, the repairs carried out by the supplying dealer were successful. The car was returned to Mrs O and she's driven over 60,000 miles since then, with no evidence that the car has had further issues.

Because the supplying dealer repaired the car successfully and in line with its obligations under the relevant legislation, I'm unable to say that there's been a breach of contract. So, in relation to the quality of the car, I don't think Novuna made an error or treated Mrs O unfairly when it rejected her claim.

Turning now to the warranty. I can see from the fixed term loan agreement that Mrs O was provided with a three-year lifeline guarantee at a cost of £499 plus interest. Mrs O has said that the guarantee was meant to be provided free of charge. I haven't seen anything to suggest that this was the case. However, I can see from the documents relating to the guarantee that provided the car was serviced in line with the manufacturer guidelines, the policy would be renewed each year at no further cost. I think this may be where the confusion stemmed from.

Based on what I've seen, I'm not persuaded that the guarantee was mis-sold or misrepresented. Nor am I persuaded that Mrs O was incorrectly charged £499 plus interest for the guarantee.

Mrs O has said that Novuna failed to respond to her claim when she first raised issues in 2021. I've reviewed the claim outcome letter that was sent by Novuna to Mrs O dated 27 August 2021. This letter states that as there are no current faults with the car, the claim has been declined.

I appreciate that Mrs O has said that she never received this letter. I can see that the letter was sent to the same address that Mrs O has provided to this service, so I can't say that Novuna didn't respond or that it made an error with the address. Even if Mrs O didn't receive the letter, I haven't seen any evidence to suggest that she contacted Novuna to chase up a response.

Mrs O has suggested to this service that the letter dated 27 August 2021 has been faked. I haven't seen any evidence to suggest that this is the case.

Taking all the available information into account, I'm unable to uphold the complaint. I haven't found any evidence to suggest that Novuna treated Mrs O unfairly or unreasonably.

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 Mrs O to accept or reject my decision before 13 June 2025.

Emma Davy
Ombudsman