

The complaint

Mrs S complains that Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance (Novuna) has treated her unfairly in relation to its obligations stemming from a loan.

What happened

In March 2024, Mrs S took out a fixed sum loan agreement with Novuna. The loan was taken to finance the supply and installation of a kitchen, which was purchased from a merchant, who I'll call W.

W supplied and installed the kitchen; however, Mrs S faced some issues. There were a number of snagging issues, the most concerning of which to Mrs S was the need to change the set up of the oven/microwave housing due to the position of an already existing fuse board and meter which was causing the standard housing to not fit correctly.

Mrs S was still in conversation with W about how to rectify these issues when she brought a claim to Novuna under Section 75 of the Consumer Credit Act 1974 (Section 75) in July 2024.

In August 2024, W commissioned a report of the issues following an inspection. A number of recommendations were made to rectify the outstanding issues. However, Mrs S and W couldn't agree on one matter - the oven/microwave housing issue. W said a qualified electrician would come to move the fuse box to the cabinet above and move the meter slightly lower. Mrs W said the fuse box would then be too high for her to access easily and only her energy company could move her meter.

During this time, Novuna were in regular contact with W and essentially repeated the offers being made by W to Mrs S. In October 2024, Mrs S raised a complaint about the length of time her claim was taking. Novuna said it didn't find it had treated Mrs S unfairly and so Mrs S brought her complaint to our service. Mrs S was asking for her loan agreement to be cancelled, a refund of monies paid and compensation.

Our investigator reviewed the complaint and said she didn't find Novuna had done anything wrong. Our investigator concluded that W and Novuna had proposed reasonable repairs to rectify the issue so she didn't think it was appropriate for us to conclude that Mrs S should be able to reject the kitchen and receive a full refund at this stage (prior to the attempt to repair having taken place). Our investigator also found that Novuna had handled the claim reasonably.

Unhappy with this, Mrs S asked for an Ombudsman to review the complaint. Whilst the complaint was awaiting allocation to an Ombudsman Mrs S informed us that Novuna had sent her a letter. This letter made clear that an offer had been made to settle the claim in cash rather than through repairs, and Mrs S had accepted. The letter also said *"Having looked into it, I have approved your claim. This means I agree that we didn't act correctly in this instance."* Despite the claim having been resolved, Mrs S continued to ask for an Ombudsman to review her complaint. She said Novuna had accepted it had made errors, and she should be awarded compensation. So, the complaint has now 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 would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

As the claim has been settled, there is no longer a need for this service to comment on it. I will therefore only be addressing the handling of the claim in this decision.

It is understandable that when a person purchases goods or a service from a merchant, and something goes wrong, they feel aggrieved. It is important to remember however, that Section 75 provides connected lender liability for any breach of contract/misrepresentation made by the merchant. It does not make the lender (Novuna) responsible for any distress or inconvenience caused by the merchant. I will therefore only be considering whether Novuna made any errors which mean it should make payment to Mrs S.

In its settlement letter, Novuna did say it agreed that it hadn't acted correctly. This sentence feels out of place so this service asked Novuna what it meant, and it clarified that this was an error. Novuna meant to explain that it agreed the merchant had made an error. Having looked at the claim history and the letter, I agree this is likely and plausible. I do not find it reasonable to hold Novuna liable for making a payment of compensation because it mistakenly admitted fault but did not say what those faults are. I am therefore disregarding the letter and focusing on what actually happened on the claim.

Mrs S complains that her claim handler was changed multiple times, and she had to repeat herself. I have reviewed the claim history and can see there was some changing of hands when it came to the claim handling. All of the changes made were explained to Mrs S and appear to be due to normal business need and ensuring the claim continued to move along effectively. So, although I understand Mrs S would've preferred to have just one claim handler from the start, I also acknowledge that Mrs S brought an ongoing issue to Novuna which would by its nature take longer to resolve. Novuna ensured her claim continued to be owned and progressed through the time the claim was live. So, I don't find it did anything wrong here.

Mrs S complains that Novuna should have taken ownership of the claim rather than making her resolve the matter herself. She did not expect Novuna to be a go-between. Most often, customer raise claims to their lender after their talks with the merchant have concluded unsatisfactorily. In this case however, Mrs S was still in conversation with W at the time the claim was raised. There is no expectation on Novuna to take control of matters and make decisions outside of any ongoing negotiations between the merchant and the customer. Rather, Novuna would need to know what is happening between the parties in order to make an informed decision about its liability. Where the merchant was engaging with Mrs S, Novuna would reasonably need to wait for those negotiations to conclude before coming to any sort of decision and so I find it reasonable that it asked W to keep it updated and kept Mrs S informed about what W was saying in the interim.

The only situation in which I expect Novuna would likely have interfered is if W were making suggestions that seemed so unreasonable that they were not a feasible option to sort the issue out. As Mrs S has heard from both Novuna and our investigator, they thought the options for repair being put forward by W were reasonable. She did not agree, and thought the suggestions being made were not feasible or safe. However, this does not necessarily mean that Novuna handled the claim incorrectly.

As it turns out, an agreement could not be reached on how to conduct the repairs and so the claim was settled with a cash payment. This does not imply that the suggestions made for repair were ultimately wrong and in the absence of evidence to suggest it was, I am not inclined to agree that Novuna has handled this claim inappropriately or unfairly in any way. I therefore do not uphold this complaint and do not agree with Mrs S that Novuna should compensate her for errors in the way in which her claim was handled.

My final decision

My final decision is that I do not uphold Mrs S's complaint against Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 8 December 2025.

Vanisha Patel
Ombudsman