

The complaint

Mrs H complains about the quality of building work financed by Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance ('MC').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mrs H financed a porch installation for £10,450 using a fixed sum loan from MC at the end of August 2022. The agreement was activated around May 2023.

Mrs H was unhappy with the quality of the installation and the time it took. In summary, she says:

- The work started a few weeks later than expected and took too long – around 9 months and was not finished.
- While the work was being done the house was exposed to the elements like rain – which damaged her floor.
- The work was not done in accordance with the contract – for example the tiles were plastic rather than slate and the certification for the windows and doors had not been received.
- The customer service from the supplier was poor – for example, workers would turn up without notice.
- She has had to finish the project at her own expense – including changing the flooring and completing the electrics.

Mrs H raised a claim with MC which it looked at under Section 75 of the Consumer Credit Act 1974 ('Section 75'). In summary, it said:

- The supplier had confirmed that work had been completed in accordance with the contract. Furthermore, the work had been registered and certificates would be received in due course.
- The tiles were as described and not plastic.
- It would look into reimbursing her for flooring and electrics if she provided evidence to show she had paid out for this.

Our investigator concluded MC had acted reasonably. Mrs H disagreed and would like an ombudsman to look at things. Mrs H wants half the cost of the work refunded in addition to all interest charges.

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 am sorry to hear Mrs H is unhappy with the service she paid for. However, it is important to note that my decision here is about the actions of MC – and what it should fairly have done for Mrs H in its position as a provider of financial services. In looking at how it handled the claim Mrs H brought to it I consider the information reasonably available to it at the time, along with the relevant protection available to Mrs H, namely Section 75.

Section 75

Section 75 in certain circumstances allows Mrs H to hold MC liable for a '*like claim*' for breach of contract or misrepresentation in respect of an agreement by a supplier of goods or services which is funded by the loan.

There are certain requirements that need to be met in order for Section 75 to apply – which relate to things like the cash price of the goods or the way payment was made. After considering these factors I think the requirements are in place for Mrs H to have a valid Section 75 claim against MC. So I have gone on to consider if there is persuasive evidence of a breach of contract or misrepresentation by the supplier which would reasonably have been available to MC at the time it considered the claim. And if so, what MC should fairly do now to put things right.

The quality of the work and materials

When it comes to matters around the quality of work and materials the Consumer Rights Act 2015 ('CRA') is particularly relevant.

In summary, the CRA says that work should be carried out with reasonable 'care and skill'. This isn't precisely defined but is usually the standard of care and skill expected in a particular industry.

The problem here is that Mrs H has made several claims about the quality of the work carried out but did not submit clear or persuasive evidence to MC about this such as an independent inspection report. This would have shown the current state of the installation, if the work fell below standard and what (if anything) was needed to remedy it. I am not an expert in construction and neither is MC so without an expert report it is difficult to conclude there is a breach of contract in this respect. Particularly noting the supplier says work was completed as it should have been.

I know Mrs H submitted photos of the work showing various things including gaps. But it isn't clear if that is the current state of the work, how the supplier left things or whether it was 'work in progress' that was ultimately remedied by the supplier. The evidence available suggests the latter. I also say this noting there is evidence to suggest that the supplier came and carried out some snagging work at a later date.

I know that the work caused inconvenience and disruption to Mrs H and her family. I am sorry to hear that – but this alone isn't evidence that the supplier acted without reasonable care and skill here. Particularly noting that in this industry it is reasonably expected that major work like this will cause a level of (sometimes significant) disruption to everyday life.

I note the CRA requires goods are of 'satisfactory quality'. The Consumer Rights Act 2015 says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory considering any description of the goods, the price and all the other relevant circumstances. But similarly there is little persuasive evidence to have shown MC the quality of materials used by the supplier would be considered not of satisfactory quality here.

Time taken to complete the work and general customer service

I note from the evidence of the express terms of the contract there appear to be no guaranteed timeframes for installation by the supplier. The contract indicates that timeframes are estimated.

I acknowledge the CRA requires work to be completed in a reasonable time. But what is reasonable will depend on the nature of the work. Building work in particular is often reasonably subject to adjusted timeframes due to unforeseen challenges, weather and other issues that might arise. Noting this was also a fairly substantial project too. From the evidence I have seen (and without expert input) it would not have been clear to MC that the time taken here was so unreasonable as to constitute a breach of contract here.

I also note Mrs H has mentioned she was unhappy with the way workers would turn up when she wasn't expecting them. It isn't clear what happened regarding this – but general customer service issues with the supplier are unlikely to be considered a breach of contract.

Work as described

I note Mrs H has indicated the work wasn't carried out in accordance with the specifications she agreed. However, once again without expert input it is difficult for MC to have concluded this was the case. I also note there wasn't persuasive evidence Mrs H didn't get particular tiles she had agreed – and the supplier contested that these were plastic as she had alleged. It also told MC that it had registered the work as required and certificates would follow in due course. Overall, based on the information it had at the time it considered the claim I don't think MC was acting unfairly in concluding the work had been carried out as described here.

Other matters

I note Mrs H said that electrical work had not been complete. A job sheet from the supplier suggests that Mrs H was due to purchase lights and inform the supplier when she had so that the electrics could be completed. And from MC's enquiries it seems the supplier was waiting on Mrs H to confirm for these works to go ahead. Mrs H says she got the work done herself at further cost but its not clear why and she has not produced receipts to evidence this in any event. So I don't think it was unfair of MC not to refund her in respect of this at the time of the claim. It has offered to look at these costs if Mrs H can produce more information like receipts – which seems fair.

In relation to the floorboards, like the electrics it isn't entirely clear what happened here. There is a suggestion by Mrs H that rain got in during the work and damaged her floor but I don't see she sent MC persuasive evidence of her communication with the supplier about this at the time it occurred. I can see a photo showing a puddle of water that looks like it came under the door and is resting on the floorboard. It isn't entirely clear what the circumstances were around this and how much longstanding damage (if any) resulted from it. Once again Mrs H did not have an expert report inspection to show the likely damage caused by the supplier's actions. Nor did Mrs H appear to sufficiently evidence to MC that she had incurred the cost of a replacement floor in any event. She appears to have shown a

screenshot of a shopping basket rather than a receipt of some kind. So it wasn't unreasonable for MC not to refund her here. And I note MC has said it will re-visit this if Mrs H is able to produce further evidence of the cost incurred - which seems fair.

I also note Mrs H appears to have initially said to MC that the supplier had not completed painting work for her – but I don't see where painting was clearly part of the contract here. And the supplier has denied that it was due to do any painting. So there was not clear evidence of a breach of contract in this regard.

For completeness, I note as well as raising a dispute about the supplier Mrs H appears to have also complained to MC about being charged for the loan before her concerns were resolved. However, MC explained that payments on the loan (with interest) were due after a 12-month 'pay later' period in line with the agreement she signed. I can see this is reasonably clear from the loan paperwork which Mrs H signed – but based on the facts as presented here I don't see where it has disadvantaged her in any event. The existence of a dispute does not mean Mrs H is not required to begin paying for work she had agreed, and these payments did not prevent her from continuing her dispute about the quality of the installation. I can also see MC appears to have written out to Mrs H in April 2024 to warn her of when payments were becoming due – so it shouldn't have come as unexpected. So, I don't think that MC needs to do anything more in respect of this. However, if Mrs H is having payment difficulties then she should speak to MC about this as it is required to treat her positively and sympathetically in this regard.

I have also looked overall at how MC handled the claim. I can see Mrs H was communicating with MC over several months. But from the information I have I don't think MC handled things badly. I say this noting that it attempted to address the multiple issues Mrs H raised and liaised with the supplier to get clarity on certain issues. I can see that although MC were looking into things over the course of a prolonged period this appears to also be a result of Mrs H continuing to raise issues on an ongoing basis and providing further information. I can see MC issued her several claim outcome letters – which broadly came within a reasonable time of Mrs H raising concerns. For example, I note the initial claim Mrs H raised on 1 June 2023 MC responded to in about four weeks total. I am not saying there were not aspects of MC's service that could have been better, but ultimately I don't think it acted in such a way that would warrant compensation here.

Overall, I think MC handled the claim fairly. I know this will disappoint Mrs H but my role is an informal one, and focused on the actions of MC. She can reject my decision and explore any other possible ways to dispute this matter (such as court). That is for Mrs H to decide and potentially take advice on as she sees fit.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 6 November 2025.

Mark Lancod
Ombudsman