

The complaint

Miss A complains about the way Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance ('Novuna') handled her claim for breach of contract.

What happened

In March 2024, Miss A paid a retailer I'll refer to as 'T' for the supply of laminate flooring as well as carpet (the 'flooring'). This was paid for from funds from a fixed term loan agreement (the 'agreement') Miss A had with Novuna for £3,047.55. The fitting of the flooring was paid for by Miss A separately. Within a few months, Miss A contacted Novuna to make a claim for breach of contract under section 75 of the Consumer Credit Act 1974 ('section 75') due to problems with the flooring. By this point T was no longer trading.

Novuna organised an inspection of the flooring by an independent technician. The findings of the technician's report were that the problems with the flooring were the result of the fitting. And as the fitting wasn't paid for using the finance from Miss A's agreement, Novuna said it wasn't liable for this part of the claim. Miss A complained about Novuna's decision, but it maintained its position.

Miss A referred her complaint to our Service, but our investigator didn't think Novuna had acted unfairly so she didn't recommend upholding the complaint. Miss A disagreed so the matter has been passed 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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. However, I've given careful consideration to all of the submissions made before arriving at my decision.

Whilst I very much sympathise with Miss A's situation in this case, from what I can see Novuna has acted fairly and reasonably in the way it dealt with her section 75 claim for breach of contract. In reaching this conclusion I've had regard to relevant law including the Consumer Rights Act 2015 (satisfactory quality etc). I also note here that I'm satisfied Miss A met all the conditions for bringing a section 75 claim against Novuna.

From what I can see because T was no longer trading, Novuna arranged for the flooring to be independently inspected which I think was fair. However, the technician who inspected the flooring and issued a report said the problems reported by Miss A were due to poor fitting. While I note what Miss A says about the quality of the flooring, the report doesn't highlight this as an issue, and it gives several reasons why the technician was able to conclude it was the fitting that was the problem.

My understanding is that Miss A paid for the fitting separately, which T's invoice makes clear. The invoice (sales contract) shows the purchase of the flooring, underlay and other accessories were paid for under the agreement with Novuna – the invoice says for these items the amount matched that of the agreement (i.e. £3,047.55). However, the fitting costs amounting to £1,285.55 was to be paid directly to the fitters (contractors). So, as the fitting wasn't paid for through the agreement Miss A had with Novuna, I can't reasonably or fairly say it acted incorrectly when it wouldn't accept liability for breach of contract for those problems which related to the fitting.

For all the above reasons, I'm not upholding the complaint. I know this is not the outcome Miss A wants. However, she doesn't have to accept my findings and may pursue this matter through alternative means, such as court (taking appropriate advice), should she wish to do so.

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 Miss A to accept or reject my decision before 16 October 2025.

Yolande Mcleod
Ombudsman