

The complaint

Ms R complains about the outcome of a claim she made to Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance (“Novuna”) under section 75 of the Consumer Credit Act 1974 (“s75”).

What happened

In August 2023, Ms R entered a contract with a company I’ll call “C” for flooring to be installed in a property she owns. The cost of the installation was £3,468.68 and this was financed by a fixed sum loan agreement that Ms R took out with Novuna.

C arranged for a third-party contractor to install the flooring. Ms R says that when her tenants moved out in May 2024, she discovered the flooring hadn’t been installed correctly.

Ms R arranged for an independent inspection to be carried out. The inspector’s report said the plywood underlay hadn’t been adequately screwed down which was essential for ensuring a stable and even base for the flooring. He mentioned that the first floor of the property showed noticeable bubbling which was symptomatic of the plywood not being properly secured. And he said the poor installation had resulted in an uneven and unstable surface which compromised the usability of the flooring, and that this posed a risk of damage over time.

Ms R contacted C about what had happened, and they offered her a goodwill gesture of £150 for the inconvenience she’d been caused. Ms R wasn’t happy with this and put in a claim to Novuna under s75. Novuna declined the claim. They said the installation of the flooring wasn’t included or purchased under the finance agreement and so they weren’t liable for this.

Ms R didn’t agree and complained to Novuna, mentioning that C’s salesmen told her the floor would be checked prior to installation to ensure the flooring was suitable. She said this didn’t happen and the installer told her she had to pay around £1,000 for plywood to be fitted.

Novuna didn’t uphold Ms R’s complaint and so she referred the matter to our service. Our investigator didn’t recommend that the complaint should be upheld. He felt Novuna were correct to say they had no liability for the installation of the flooring as this had been arranged under a separate contract between Ms R and the installer. And he didn’t think Novuna needed to do anything in respect of the issues with the plywood not being present before installation as C had provided a reasonable explanation for this by saying they wouldn’t have known this was required until the existing flooring had been taken up.

Ms R disagreed and felt that Novuna should be liable for the installation as C had arranged this as part of the overall service when she purchased the flooring. And she said C had failed to disclose the additional cost of paying for plywood to be fitted prior to installation and that they told her a surveyor would assess whether the flooring was suitable which didn’t happen. Ms R also said she wasn’t told the contract with C didn’t include the fitting.

As the matter remains unresolved, Ms R's complaint has 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 want to acknowledge that whilst I've summarised the events of the complaint, I've reviewed everything on file. If I don't comment on something, it's not because I haven't thought about it. I'm focussing on what I consider are the key issues.

I'm sorry to hear of the problems Ms R experienced with the installation of the flooring. As she paid for this using a regulated fixed sum loan agreement, our service can consider her complaint.

I've taken into account relevant law which in this case includes s75. This makes Novuna responsible for a breach of contract or misrepresentation by C under certain conditions. I think the necessary relationships between the parties exist and the claim is within the relevant financial limits.

Novuna declined Ms R's s75 claim because they didn't think they were liable for the installation of the flooring. I don't think Novuna acted unfairly by saying this. I've seen the contract between C and Ms R, and this sets out separate costs for the purchase of the flooring and its installation. It also states that the contract with the installer will be separate, and that the installer will be responsible for the standard and quality of the installation, and any liability arising from it. And the cost of the installation wasn't funded by the loan Ms R took out with Novuna and presumably was funded by her using other means.

As a result of the above points, anything that went wrong with the installation wouldn't be something that Novuna is liable for under s75. I appreciate that this may well not have been made clear to Ms R at the time by C. But that doesn't change the contractual position as I've set out above, nor does not disclosing this amount to a misrepresentation as C didn't give incorrect information about this. And in any event, I can't be sure that Ms R would have decided not to go ahead with the purchase and the installation if she had been told about the separate contracts.

Ms R has mentioned that C's salesman told her that someone would assess whether the flooring was suitable for the property, and that this didn't happen. This then led to Ms R needing to pay around another £1,000 for plywood to be put down. I've no reason to doubt Ms R's testimony on this. But had the correct assessment been made, then Ms R would still have needed to pay the money for the plywood. And I can't discount that Ms R may well have still gone ahead on that basis had she been given the correct information.

Overall, and for the reasons I've set out above, I don't find that Novuna acted unfairly or unreasonably in how they dealt with Ms R's s75 claim.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 11 July 2025.

Daniel Picken
Ombudsman