

The complaint

Mr H complains about the way Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance ('Novuna') handled his claim.

What happened

In, or around, September 2023, Mr H purchased a carpet from a retailer I'll refer to as 'T'. T is no longer trading. Mr H raised a claim for breach of contract against Novuna who'd provided the loan for the carpet costing £4,128.39. In August 2024, Mr H contacted Novuna saying he was unhappy with the quality of the carpet which had flattened over time, and he said he wanted it replaced.

Novuna arranged for an independent inspection to assess the damage to the carpet. The report (the 'report') by the inspector confirmed there wasn't any manufacturing faults with the carpet, so Novuna declined Mr H's claim. Novuna did, however, offer Mr H £150 for delays caused to how long it took to handle his claim.

Mr H complained about Novuna declining his claim for breach of contract. When Novuna maintained its position, he referred the matter to our Service. Our investigator considered Novuna had acted fairly in the way it dealt with Mr H's claim so didn't recommend upholding his complaint. Mr H disagreed with the investigator's view and asked for the matter to be considered by an ombudsman.

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 appreciate Mr H has made a number of submissions in support of his case. I want to reassure him that I've carefully read and considered everything he's said. Whilst I very much sympathise with Mr H's situation in this case, from what I can see Novuna has acted fairly and reasonably in the way it dealt with his claim for breach of contract under section 75 of the Consumer Credit Act 1974 ('section 75'). 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 Mr H met all the conditions for bringing a section 75 claim against Novuna.

I can see that when Novuna received Mr H's claim under section 75, it instructed an independent inspector to assess the issues with the carpet – Mr H said the carpet had significant flattening within a few months of the installation and wasn't what he'd expect from normal domestic use. However, having reviewed the report, I can see the inspector clearly stated that they didn't think the issue being complained about was the result of manufacturing damage but rather normal use.

I take on board what Mr H says about the report – in particular, Mr H says the inspector incorrectly identified the carpet as 'long pile' when in fact, it was a 'twist pile' carpet. However, from what I can see, the inspector assessed the carpet and gave reasons for

reaching the conclusion they did. The inspector said they had found the area Mr H was concerned about was where the carpet had been 'trodden down' and concluded this wasn't due to a manufacturing fault. In my view, I don't think it was unfair for Novuna to place reliance on this report when reaching its decision not to accept liability under section 75. I note Novuna did say that if Mr H didn't agree with the findings of the report, he could instruct his own inspector (expert), and any new findings would be considered as part of his claim. I think Novuna has acted fairly and reasonably here.

That said, I can see that it took Novuna several months to arrange for an independent inspection. Whilst I understand this was frustrating for Mr H, given this didn't negatively impact on the outcome of the claim itself, I'm satisfied the £150 already paid to him by Novuna fairly and reasonably compensates him for these delays. So, I won't be asking Novuna to pay anything more.

For all the above reasons, I'm not asking Novuna to do anything further. I appreciate this will be a disappointing outcome for Mr H. However, he doesn't have to accept my findings and may pursue this matter through alternative means such as court (taking appropriate advice), should he wish to do so.

My final decision

My final decision is that as Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance has already paid Mr H £150 for the delays it caused, it doesn't have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 November 2025.

Yolande Mcleod
Ombudsman