

## **The complaint**

Mr M is unhappy with Mitsubishi HC Capital UK PLC, trading as Novuna Personal Finance ('Novuna') for declining his Section 75 claim, made under the Consumer Credit Act 1974.

## **What happened**

At the end of July 2024 Mr M purchased a watch for £9,200 from a specialist retailer. Mr M paid a deposit of £920 and arranged a fixed sum loan agreement for the remaining amount of £8,280. The loan was set over a term of 36 months with monthly payments of £230, and 0% interest.

In early August 2024 the retailer's courier confirmed delivery of the watch, but Mr M contacted the retailer to say he had not received it. As Mr M was unable to resolve the matter with the retailer, he approached Novuna to raise a claim.

Novuna investigated the matter and found the courier had evidence to support the goods were delivered to Mr M's address and that a Personal Identification Number ('PIN') code had been obtained from Mr M for the delivery to be completed. Because of this Novuna declined the claim and did not cancel the loan agreement.

Our Investigator did not uphold Mr M's complaint as they concluded that in the circumstances Novuna had not acted unfairly when they decided to decline the claim.

Mr M strongly disagreed. He maintained he had not received the parcel, it was not left with someone called 'L' as the courier had said, the parcel was left at the site's public office, and he had given the courier a code which he hadn't even known that he had.

## **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.

Having done so, I have reached the same outcome as our Investigator for broadly the same reasons as I'll explain.

I've only included a summary of what's happened above, and while I may not respond to every point each party has raised, I have reviewed all the submissions available and focused on what I consider relevant to reaching a fair and reasonable resolution in this matter.

While Mr M bought his watch from the retailer, my considerations here are limited to Novuna's actions as the provider of financial services.

Mr M approached Novuna to make a Section 75 claim. Section 75 of the Consumer Credit Act 1974 is a mechanism by which consumers may be able to seek financial protection for purchases they have made using specified types of credit. Section 75 makes the provider of credit (in this case Novuna) equally liable where there is a case of misrepresentation or breach of contract by the supplier of goods or services financed by the credit.

Mr M made his purchase using a regulated fixed-sum loan agreement in his name, which falls into one of the recognised types of credit for a Section 75 claim to be considered. There are also other criteria which are required to be met for making a Section 75 claim, and in the circumstances of this matter I am satisfied that Mr M's case meets those requirements. That is, a debtor-creditor-supplier agreement exists, and the cash price falls within the required thresholds for a Section 75 claim. It therefore follows that consideration can be given to whether there has been a misrepresentation or breach of contract.

There is not much detail in the retailer's terms of delivery online, but the passing of risk is covered under section 29 of the Consumer Rights Act 2015 (CRA) which implies terms into a sales contract of this nature. I've also reviewed the courier's delivery terms.

In this matter there are two different versions of what happened with the delivery – Mr M's and the courier's.

When the evidence is incomplete, inconclusive or contradictory, my decision is made on the balance of probabilities – in other words, what is more likely than not to have happened given the available evidence and the wider circumstances.

As part of their investigation Novuna obtained a statement from the individual who delivered the package, and they also made a general enquiry with the courier service as to the expectations of a delivery using a PIN code which is sent only to the customer. The courier service told Novuna a PIN code would not be asked for over the phone. On the courier's website it is noted that the courier sets out the driver will ask for a PIN code, and that caution should be exercised when transferring the PIN to another person for someone to receive the parcel on behalf of the recipient.

Although the courier service told Novuna a PIN code would not be requested over the phone, it is not disputed between the individual from the courier service and Mr M that a telephone call took place between them, and their respective recollections are also in agreement that Mr M provided the required PIN code. However, their versions of what was discussed after this are different. On the one hand Mr M says he did not agree for the watch to be left with an individual called 'L', while on the other hand the courier says Mr M instructed them to leave the watch with Mr M's friend called 'L' and this is why the delivery was signed for by 'L'.

It isn't possible to now know exactly what happened or what was said as no copy of the call was obtained by any of the parties, but I think it is reasonable to say the courier was given the required PIN code to deliver the goods. Mr M does not dispute this. So although Mr M was not present at the delivery location, it seems more likely than not that the courier had some sort of instruction to leave the goods. By providing the required PIN – without which the courier had said they could not complete their delivery – it is not unreasonable to say that Mr M was accepting the risk that the goods were being delivered in his absence.

In the circumstances, I therefore do not think it was unreasonable for Novuna to conclude there was no breach of contract and decline the claim, given the watch was more likely than not delivered to the right address with Mr M's provision of the PIN as his agreement to leave the parcel in his absence.

I realise this will come as a great disappointment to Mr M given the price of the watch, but I've not seen enough here to say that Novuna acted unfairly in their handling of the claim given the evidence they had. If Mr M wishes to pursue his concerns about any of the third-parties involved in this matter then he may wish to seek independent legal advice.

**My final decision**

For the reasons above, my final decision is that I do not uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 December 2025.

Kristina Mathews  
**Ombudsman**