

The complaint

Mr R complains Mitsubishi HC Capital UK PLC, trading as Novuna Personal Finance ("Novuna") unfairly charged interest on a loan he used to buy windows and doors.

What happened

I issued my provisional decision on 8 September 2025. An extract can be found below.

On 29 March 2023, Mr R contracted with a specialist supplier (which I'll call "S") to supply and install windows and doors for £6,650. He funded the purchase with a fixed-sum loan from Novuna. The arrangement involved a £200 deposit and 120 monthly repayments at £104.23 per month.

Under the loan, if Mr R repaid what he borrowed (£6,450) plus a £29 administration fee by 13 July 2024, no interest would be charged. Otherwise, interest at 12.9% was chargeable.

Mr R was unhappy with the installation. He said a bay window was misaligned, the doors hadn't been sealed properly, and a door handle had fallen off. Neither S or the warranty provider resolved the issues. In March 2024, S told Mr R to ask the finance provider for help.

Because he didn't have a copy of the loan agreement, Mr R said he didn't know who the finance provider was. But after further enquiries, he discovered it was Novuna, who raised a raised a section 75 Consumer Credit Act 1974 ("section 75") claim for him on 19 April 2024.

Novuna upheld the section 75 claim and in September 2024 made a settlement offer that accounted for interest on the loan. Mr R complained about the interest. He said he assumed his loan repayments would be suspended while his claim was ongoing, extending the interest-free period. If that wasn't the case, he says Novuna should have made that clearer. And if it had, he would have paid the loan off before the end of the interest-free period.

Novuna disagreed. In its 24 September 2024 final response, it said it was entitled to charge interest if the balance wasn't repaid by 13 July 2024 and, under the terms, interest could be backdated to the start of the agreement. It also said it clearly warned Mr R this would happen in an email dated 1 June 2024.

Our investigator didn't uphold the complaint. He said Novuna was entitled to charge interest in line with the terms and conditions Mr R agreed to.

As Mr R disagreed, the complaint has come to me for a decision.

What I've provisionally 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've summarised the complaint in my own words and I'm not responding to every point made. No discourtesy is intended by this. Our rules allow me to do this. This simply reflects the

informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. Rather, I'm satisfied I only need to focus on the key points to reach what I think is the right outcome.

It's also important to note I'm not looking at how Novuna handled Mr R's section 75 claim or whether the settlement is fair — that's outside the scope of this complaint. I'm considering whether, in light of an ongoing section 75 claim, Novuna was entitled to hold Mr R to his contractual loan repayments and charge him interest

Validity of the loan agreement

S's purchase order shows Mr R chose to pay via a 12-month Buy-Now-Pay-Later credit agreement. Mr R signed that agreement electronically on 29 March 2023.

That meant Mr R would have had to go through Novuna's online process and sign the agreement electronically before Novuna would provide him with the loan.

Screenshots of the process show Mr R would have been provided with a "Download" link to the pre-contract information and a separate hyperlink to a draft copy of the agreement before he signed it. The online process also shows key information about the loan, including the loan term, the amount borrowed, the interest rate, the interest payable, the monthly repayment, and the total amount he had to pay Novuna.

On balance, I think it's likely Mr R agreed to the loan, had access via a link to the pre-contract credit information, was informed Novuna was the provider, and was made aware of his key repayment obligations at the point of sale.

Novuna hasn't shown it emailed Mr R a copy of the executed credit agreement. Mr R also says it never provided him with a copy. On that basis, He argues Novuna should have paused his payments. He hasn't expanded on his reasons, but I presume he's referring to section 61A of the Consumer Credit Act 1974 (CCA), which creates a statutory duty on Novuna to give him a copy of an executed consumer credit agreement.

However, even if I accept Novuna didn't comply with that duty, it wouldn't make the agreement void. The agreement would still exist but would only be enforceable with a court order under section 65 of the CCA.

Mr R benefitted from the loan and remained contractually obliged to the agreed terms. In these circumstances, I'm not persuaded it was unfair for Novuna to charge interest and seek repayment in line with that agreement.

Clarity about repayment obligations

Mr R says Novuna didn't make it clear that repayments were still due and that interest would become chargeable despite the ongoing section 75 claim.

I understand why Mr R thought that, especially given the installation's quality issues might have resulted in a return and a refund. But I'm persuaded Novuna had been sufficiently clear about Mr R's continuing obligations under the agreement.

Novuna sent Mr R a "Welcome Email" dated 13 July 2023 confirming a direct debit had been set up. It said the first payment of £104.23 would be collected on 13 July 2024. I've seen nothing to indicate Mr R objected to Novuna setting up the direct debit.

On 1 June 2024, Novuna reminded Mr R the interest-free period would end on 13 July 2024. It said if Mr R paid £6,479 by that date, no interest would be charged. That gave him around six weeks to decide how to proceed.

On 2 June 2024, Mr R acknowledged the reminder and queried the progress of his claim. He said that because the goods were not fit for purpose and the section 75 claim was open, he believed at the time that the repayments would only recommence once things were put right.

That belief appears to have come from Mr R's assumptions, not something Novuna said. The agreement doesn't say repayments pause during a section 75 claim. And Novuna's email to Mr R dated 10 June 2024 explained repayments would not be put on hold. It said:

"If you've a current agreement with us, you still need to make your monthly repayments in full and on time, regardless of your claim..."

That email also provided Novuna's contact details if anything was unclear. At that point Mr R still had over a month to repay the balance and avoid interest. I've seen no further contact from Mr R between 10 June 2024 and 13 July 2024, when interest became chargeable.

Overall, I think Novuna clearly set out that repayments weren't on hold and that interest would apply if the balance wasn't cleared by 13 July 2024. I haven't seen evidence it misled Mr R or acted unfairly in some other way.

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.

Neither party has objected to my provisional decision. As I haven't been provided with any further information, my provisional decision becomes my final decision on this complaint.

My final decision

For the reasons I've given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 October 2025.

Alex Watts
Ombudsman