

The complaint

Ms R complains about how Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance (“Novuna”) dealt with a claim she made in relation to a transaction financed using a fixed sum loan agreement.

What happened

In June 2023, Ms R bought flooring from a company I’ll call “C”. The cost of the purchase was £1,850 and the sales invoice shows this amount included a payment of £176.01 for ‘fitting service administration’. Ms R financed the purchase using a fixed sum loan agreement with Novuna. C agreed to act as an agent for Ms R and to arrange to source an independent fitter to install the flooring in Ms R’s home.

Ms R brought a claim against Novuna under section 75 of the Consumer Credit Act 1974 (“Section 75”) because the installer didn’t install the flooring correctly and damaged her property. Ms R also said C promised to provide a ‘seamless, invisible like finish’ with the installation.

Novuna didn’t think the claim should succeed. In summary, they said they weren’t liable for the problems caused by the fitting, which included the promise of a ‘seamless, invisible like finish’, because Ms R paid for this service separately to the installer.

Ms R didn’t agree and complained to Novuna. But Novuna didn’t uphold the complaint giving the same reasons they gave in their response to the Section 75 claim.

Ms R remained unhappy and so she referred her complaint to our service. Our investigator didn’t think that Novuna needed to do anything to put things right. She said Novuna were correct to say they had no liability for the fitting.

Ms R didn’t agree with our investigator. As the matter remains unresolved, her 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've read and considered the whole file and note that Ms R has raised several references to certain law and regulations that she considers is relevant to her case. I don't intend to go through each of these in detail though. I intend no discourtesy by this. I've concentrated though on what I think is relevant. If I don't comment on something specific, it's not because I've failed to take it on board and think about it. It's because I don't think I need to comment on each point, to reach what I think is the right and fair outcome. Our powers allow me to do this.

I should also make it clear that this complaint is about Novuna as a provider of financial services and whether they acted fairly and reasonably towards Ms R. This complaint is not about C.

Under Section 75, Novuna are jointly liable for breaches of contract or misrepresentations made by the supplier of goods and services, which in this case is C.

Ms R entered a contract with C to supply flooring and for them to introduce her to an independent fitter.

I'll firstly deal with the supply of the flooring. For there to be a valid claim under Section 75, there needed to be what is known as a 'debtor-creditor-supplier ("DCS") agreement in place. Ms R bought the flooring using a fixed sum loan agreement with Novuna. The invoice for the purchase was in Ms R's name. So, I'm satisfied a valid DCS agreement was in place here.

I've also considered the financial limits that apply to a Section 75 claim. Ms R needed to have purchased a single item with a cash price of over £100, but no more than £30,000. The cost of the flooring was within the relevant financial limits.

So, I'm satisfied that Ms R has a 'like claim' against Novuna, as she does against C. I'm also satisfied C was acting as agent of Novuna.

Ms R and Novuna agree the flooring was supplied by C to her. There hasn't been any suggestion that the flooring was faulty or not as described, other than perhaps the promise given by C that the flooring would provide a 'seamless, invisible like finish'. However, I think this is more to do with the installation of the flooring rather than with the quality of the flooring itself. So, I'm satisfied there hasn't been a breach of contract or a misrepresentation in respect of the supply of the flooring.

The dispute has arisen because of the installation of the flooring. I've mentioned above that Ms R's contract with C includes a fee of £176.01 within the overall price for 'fitting service administration'. The cost of this fee was financed under the fixed-sum loan agreement with Novuna.

For the same reasons I've mentioned for the supply of the flooring, I think there is a valid DCS agreement in respect of the 'fitting service administration'. I'm therefore satisfied that Ms R has a 'like claim' against Novuna for the 'fitting service administration' as she does against C. And that C were acting as an agent of Novuna.

I now need to consider what the 'fitting service administration' includes and whether liability for this sits with Novuna. I've looked at the invoice C gave to Ms R. This says:

'You appoint [name] as your agent to arrange for the fitting of your product. We will take reasonable care to identify a fitter we believe is suitable to fit your product you have purchased from us and liaise with you and the fitter to arrange a suitable date. You authorise us to enter into an oral contract for the fitting of your product(s) (and uplift of your current products if you have chosen this option) with the independent self-employed fitters in your name and on your behalf. The contract for fitting will be under a separate arrangement between you and the fitter. The fitter is responsible for the standard and quality of, and any liability arising from installation. Payment for this service is paid directly to the fitter on the day your order is fitted'.

C's terms and conditions on their website said:

'Introduction to Fitter

Where [name] has been asked to make the arrangements for your flooring to be fitted, we agree to act as your agent for this service and a fitting arrangement service per m2 is chargeable. This includes: introduction to a flooring fitting specialist and arranging the installation of your purchase under a separate contractual agreement between you and them. It also includes monitoring fitting standards, arranging a pre-cut service to aid an efficient and speedy 'at home installation', and on the rare occasion of a complaint being raised regarding the fitting, [name] will manage the complaint between yourself and the fitting partner.

We retain full responsibility for the products [name] supplies and will act as intermediary between you and the deliverer/installer should any liability arise from delivery and installation where [name] made the introduction to the fitter.

Fitting

Fitting is chargeable and payable to the fitting partner separate from your [name] contract and must be paid directly to the fitter on the day of installation.

Where carpets are to be fitted in the hall and stairs an additional fee is made to reflect the additional fitting work involved in these areas. These charges may be payable to the company or the contractor and are shown on your sales confirmation or invoice. The fees quoted are for the goods shown on the order only'.

The arrangement Ms R entered means she paid a fee to C to source an independent professional fitter on her behalf. C sourced an independent professional fitter and introduced the fitter to Ms R; it had no further liability than that. Ms R entered a separate contract with fitter to install the flooring. C's liability stopped at the point the fitter was sourced and arranged for Ms R. The contract for the installation of the flooring was between Ms R and the fitter. And the terms of C's contract say the fitter is liable for the standard and quality of the installation of the flooring.

Ms R didn't pay for the installation of the flooring using credit provided by Novuna. C's invoice sets out that this would be payable directly to the fitter. So, there's no valid DCS agreement in place to make Novuna liable for the installation of the flooring. This means I can't consider whether a breach of contract or a misrepresentation occurred in respect of the installation.

I realise Ms R will be unhappy with my decision. However, as she received what she was due under the contract with C, which is the supply of the flooring and the sourcing of a fitter, I don't consider that any breach of contract or misrepresentation occurred. Nor have I seen anything set out in law or legislation what would make me think either thing occurred in relation to the installation, so that Novuna would be liable. So, I don't consider that Novuna acted unfairly or unreasonably in how they dealt with Ms R's complaint about the outcome of the Section 75 claim.

My final decision

For the reasons I've set out above, my decision is I don't uphold Ms R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 12 February 2026.

Daniel Picken
Ombudsman