

The complaint

Miss M complained about the way Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance (Novuna) dealt with a claim for a sofa bed she bought using a fixed sum loan agreement.

What happened

The parties are familiar with the background of this complaint, so I will summarise it briefly here. In September 2023, Miss M used a fixed sum loan agreement from Novuna to buy a sofa bed from a retailer I'll call D. The amount of credit under the fixed sum loan agreement was around £1,680. Miss M needed to make monthly repayments of around £46 for 36 months.

In February 2025, Miss M reported a fault with a spring in the mattress to D. It sent a technician in early March 2025 to inspect the sofa bed and agreed there was a fault. Miss M said she was told that the mattress would be replaced. She contacted D to find out when the mattress would arrive. She was told the mattress had been ordered in March 2025, and she would be updated when it arrived.

Miss M said she contacted D again and was sent an email towards the end of April 2025. D said that the mattress was ordered mid-March 2025 and had an approximate delivery time of around 11 weeks. It emailed Miss D again around three weeks later in May 2025 to inform her that the mattress was due to arrive at its local warehouse slightly earlier than expected in early June 2025.

At the end of May 2025 Miss M emailed D to formally reject the sofa bed and said she wanted a full refund. D didn't accept the rejection of the sofa bed and said that the mattress was available sooner than the estimated delivery date. It said it had an opportunity to repair and asked Miss M to provide her availability to undertake a visit. Miss M declined this. Miss M said she would raise a claim under Section 75 of the Consumer Credit Act 1974 (Section 75) and contacted Novuna and the Furniture and Home Improvement Ombudsman (FHIO).

The FHIO responded to Miss M and said that it didn't find that the lead time on the replacement mattress was excessive and didn't make an award in Miss M's favour. Novuna didn't accept the Section 75 claim and considered the repair with the replacement mattress to be fair. It also relied on the FHIO's findings. Miss M complained about Novuna's position and as it didn't change its stance, she referred her complaint to the Financial Ombudsman. Our investigator considered the complaint but didn't think Novuna acted unfairly in response to Miss M's Section 75 claim.

Miss M didn't agree and felt that the time D took to repair the sofa bed was excessive and said that she was caused significant inconvenience because of the delays in repairing the sofa bed. Because of this she said she had the right to reject the sofa bed and Novuna was liable for this. She said the FHIO's decision was flawed as she was unable to upload all of the information when she raised her concerns and the FHIO only relied on D's estimated

timeframes rather than all of the information including her rejection. She said that Novuna incorrectly relied on this.

As the matter remains unresolved it 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.

When considering what is, in my opinion, fair and reasonable, I must take into account relevant law and regulations; regulator's rules including the Consumer Duty, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

Miss M bought the sofa bed using a fixed sum loan agreement with Novuna. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to this sort of agreement.

It's clear Miss M feels strongly about this matter, and I mean no discourtesy where I haven't commented on each individual point she has raised. I've focused on what I consider are the key elements of the complaint. If there's something I've not mentioned, it isn't because I've ignored it. Rather, I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I'm not considering a complaint against D, but rather I'm looking at Novuna as the finance provider and considering if it has acted fairly and reasonably in the way it handled Miss M's request for the final right to reject.

I've considered the applicable legislation and in this case Section 75 holds Novuna liable for a like claim for any breach of contract or misrepresentation by the supplier - D, provided certain conditions are met. In order for there to be a valid claim under Section 75, there needs to be a debtor-creditor-supplier ('DCS') agreement in place and the financial limits have been met for a valid claim. I'm satisfied the criteria has been met.

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. The CRA implies terms into the contract that goods supplied will be of satisfactory quality. The CRA also sets out what remedies are available to consumers if statutory rights under a goods contract are not met.

It appears that D accepted that the sofa wasn't of satisfactory quality and offered a remedy in line with the CRA. It said that as the fault was reported more than six months after the delivery of the sofa it was entitled to an opportunity to repair it. Given D carried out an inspection and offered a repair through a replacement mattress, I accept the sofa bed wasn't of satisfactory quality. I've considered if Novuna acted fairly in dealing with a Section 75 claim where D accepted there was a breach of contract.

I understand Miss M's concerns about how long the replacement mattress took to arrive and I appreciate the delay caused frustration. I've noted Miss M said she wasn't informed of the timescales until after she sent her formal rejection of the sofa bed at the end of May 2025. From the correspondence it appears D informed Miss M in its emails to her on 22 April 2025 and 14 May 2025 that it was expecting the replacement mattress within 11 weeks and by early June 2025. Although I appreciate it was some time since Miss M reported the fault, I think D gave her a timeframe to inform her when the mattress was expected prior to her rejection of the sofa, which was done a few days before the mattress was expected.

Miss M has referred to the CRA and the requirement for D to repair the sofa bed without significant inconvenience. I've noted that prior to Miss M's rejection email to D, I can't see from the email exchanges between them that Miss M explained the impact of the delay. I've considered the individual circumstances of this complaint, and I don't think the expected time frame was unreasonable given it was related to a sofa bed and it isn't unusual for replacement parts to take time to be ordered and supplied in that industry. Although the time scales were longer than what Miss M expected I'm not persuaded that the delay was so serious that it gave her the right to reject the sofa bed altogether. I've also taken into account that the FHIO didn't find the wait time for the replacement mattress to be excessive (although I appreciate Miss M said she didn't think that the FHIO factored in all of the information in its decision). I think when considering the Section 75 claim, it was reasonable for Novuna to rely on the FHIO's findings as an independent industry expert.

At this point it is important to explain where two parties are jointly and severally liable for a breach of contract, this does not usually entitle a consumer to insist that one party alone provides a remedy. Consumers are expected to take reasonable steps to minimise their losses and where one party has already put forward a reasonable proposal to resolve matters it may be appropriate for the other party to rely on that proposal.

Overall, I don't think D acted in a way that amounted to a breach of contract which meant Miss M was entitled to a full refund which Novuna could be held liable for. I'm satisfied that Novuna dealt with the Section 75 claim as I would expect – gathering information from D and providing an answer within a reasonable period of time, so I don't think it needs to pay Miss M any compensation either.

I'm sorry to hear Miss M has had issues with the sofa bed and I know this decision will be disappointing for her but based on the information available, I don't think Novuna acted unfairly in its handling of the Section 75 claim and I don't require it to do anything else. I should point out that Miss M doesn't need to accept this final decision and if she rejects it, it will not be binding on her or Novuna. She may then be able to pursue the matter by more formal means such as through the courts.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 6 February 2026.

Amina Rashid
Ombudsman