

## The complaint

Mitsubishi HC Capital UK PLC, trading as Novuna Personal Finance, provided Mr P with the following loan:

Date	Amount	Monthly repayments	Term (months)
November 2024	£1,210	£42.26	36

This is a buy now pay later agreement, where there is a 12 month interest free period, followed by 36 monthly payments, as described above.

Mr P says the loan was unaffordable and provided irresponsibly.

## What happened

The details of this complaint are well known to both parties, so I won't repeat them here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

## 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr P's case.

I've decided the loan was provided fairly, so I'll explain why.

I think the checks Novuna did before providing the loan were reasonable and proportionate given the size of the loan offered and what it knew about Mr P's financial situation.

Novuna considered information Mr P provided in his application, verified his income and gathered information from a credit reference agency (CRA) before deciding to lend. Its checks suggested Mr P had a healthy disposable income after his essential spend and existing credit commitments.

Mr P declared his annual income to be £43,000, which Novuna verified and calculated to mean around £2,770 of net monthly income. The CRA checks showed Mr P had existing debt of around £9,000 and suggested he was managing his accounts well, as there were no adverse markers reported.

I've reviewed the information referred to above and completed my own affordability assessment. Having done so I am comfortable that Novuna took a reasonable approach. It used verified figures where available, and reasonably calculated figures where they weren't.

Based on the information Novuna gathered and what it knew about Mr P's circumstances, there was nothing to suggest he would be unable to repay what he was being lent and I don't think Novuna acted unfairly in any other way.

Mr P has provided us with copies of his bank statements to support his position by highlighting his overdraft usage and gambling transactions. But I don't consider Novuna needed to review them before agreeing to lend given the modest monthly repayments required and what its credit checks showed. So, while I appreciate his strength of feeling, I don't consider it would be fair to place weight on the content of his bank statements in determining whether Novuna lent to him fairly.

This means I don't think Novuna did anything wrong when it provided the loan to Mr P.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already explained, I don't think Novuna lent irresponsibly to Mr P or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

For the reasons outlined above, my final decision is that I'm not upholding Mr P's complaint about Mitsubishi HC Capital UK PLC, trading as Novuna Personal Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 March 2026.

David Barker  
**Ombudsman**