

The complaint

Mr H complains about an installation of windows and doors financed by a fixed sum loan from Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance ('NF').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr H approached NF saying there were outstanding problems with the installation that needed remedying, and the supplier was unable to do this as it had gone out of business.

NF considered the claim in respect of its liability under Section 75 of the Consumer Credit Act 1974 ('Section 75'). However, it wrote to Mr H in January 2024 to say it required further supporting information from him to proceed with his claim.

Mr H contacted this service regarding the outcome of his initial claim. He said:

- The supplier assured him that no payments would be taken until the work was fully completed and signed for – yet payments started and the work was left incomplete.
- On learning the supplier had entered administration in October 2023 he contacted NF but they are yet to take any action as of February 2024.

NF responded to this complaint in April 2024. It explained that it had re-opened his Section 75 claim but was unable to proceed with it as Mr H had still not consented to have his details passed to its remedial partner and it had not received paperwork from him to validate his claim.

Mr H referred his complaint about his Section 75 claim to this service. While the matter was with this service Mr H obtained an expert report which led to NF making an offer of settlement. This included it cancelling the finance agreement, refunding any payments made and refunding Mr H's deposit – allowing Mr H to keep the installation in place.

Mr H accepted the offer of settlement. But said he wanted further compensation. In summary, he is unhappy with how NF handled his claim. He says that it did not support him sufficiently. He says the finance was activated and payments were required despite the work being defective and incomplete. In summary, he sets out his final position that is although he accepts NF's offer he seeks compensation for:

'the financial and reputational harm caused by Novuna's premature enforcement of the agreement, data reporting breaches, and your service's flawed handling of this complaint'

Our investigator did not think NF had to do any more to put things right. She said that NF had fairly handled the Section 75 claim which Mr H brought to it.

So the complaint was referred to me to look at matters for a final 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.

While I might not comment on everything (only what I consider key) this is not meant as a courtesy to either party – it reflects my role resolving disputes with minimum formality.

I note that Mr H in referring the matter to ombudsman has indicated he wants me to consider the way this service has investigated the complaint. I want to make it clear that my role is not to look at that. So I won't be commenting on any of these aspects he has raised.

I know a lot has happened since the matter was referred to this service – and I will briefly cover this off for completeness at the end of this decision. However, I want to make it clear that my role is to look at the original complaint Mr H made about NF's claim handling which it dealt with in its Final Response Letter of April 2024. So I hope Mr H does not see it as a courtesy that I don't cover all of his points – rather, it reflects what my role is here.

It is also important to note, while Mr H is very unhappy with the supplier – ultimately my role is to look at the actions of NF as a financial business. And what it can fairly be held liable for based on the information that was reasonably available to it at the time Mr H approached it with his claim. With that in mind I have considered the legal provision which can mean NF is responsible for aspects of the goods and services supplied here.

Section 75

Section 75 in certain circumstances allows Mr H to hold NF liable for a '*like claim*' against the supplier for a breach of contract or misrepresentation by it.

It is worth noting that Section 75 does not apply in all situations. There are strict technical criteria which need to be satisfied. For example, if the person who takes out the finance agreement is not the person named on the contract for goods or services – then Section 75 is unlikely to apply.

I don't have a copy of the supply agreement here. And not knowing whom contracted with the supplier means I am not sure whether Section 75 applies here in the first instance.

Furthermore, not having documentation detailing exactly what was agreed between the supplier provides further challenges in establishing the extent of any breach of contract or misrepresentation.

It follows that NF in initially responding to Mr H's claim by asking for copies of documentation like a contract was really crucial for it to establish certain things like, what was agreed, who it was agreed with, and the terms of any work.

I appreciate that Mr H says the supplier didn't provide him with any paperwork. I think it would be unusual for Mr H not to have been sent a copy of the initial quote and agreement for works. In any event NF was not acting unfairly in asking for this information during its claim handling. NF isn't at fault if Mr H wasn't given any paperwork by the supplier. Furthermore, I note that NF says it tried to get documentation from the administrator but was unsuccessful – so I can't fairly say NF didn't try to assist here.

I also note NF said it had attempted to get Mr H's consent for it to pass his details to a third-party remedial partner so it could come over and look to assess matters and identify any work required but Mr H had declined. The evidence available, including correspondence

from Mr H prior to and after the initial claim outcome persuasively supports this finding. I appreciate Mr H was unwilling to give this consent as he didn't trust the third-party NF proposed initially (he said he had used them before in respect of his business). However, I can't fairly conclude that means NF were failing to support him here. Ultimately, it seemed willing to carry out an inspection and repairs if necessary. I say this also noting that at a later stage NF explained to Mr H it was using an alternative third party to come out and help but he still did not agree for it to attend. I don't think NF was acting unfairly in offering this and I don't think it was fairly required to provide the sort of additional information about its remedial partner that Mr H wanted.

I know Mr H said he sent some photos of the issues to NF. However, installations like this are complex and NF is not an expert here. So it wasn't unreasonable in requesting for its partner to come over to look at things before deciding a way forward. This inspection can identify whether a contract was carried out properly including in respect of the implied terms under the Consumer Rights Act 2015. Furthermore, repair, replacement or repeat performance is not an unreasonable option under this legislation in the first instance. So NF was not acting unfairly by considering this route before Mr H's request for a partial refund or compensation.

I know Mr H has described his health struggles and he appears to have told NF about these. I am sorry to hear about this and wish him well going forward. However, I think that NF in responding to his claim by offering to send someone over to check the standard work as a first step was ultimately not an unfair thing to do in the circumstances. This would then have allowed it to assess the situation and determine what further action was due. Mr H was going through a difficult time – but I don't see persuasive evidence that NF acted unsympathetically. I know Mr H has said that NF ignored him – but I don't think it did. The evidence I have seen shows that it tried to help him – but was reasonably unable to move things forward without Mr H's consent to pass his details to third parties. NF reasonably needed his co-operation to continue – and I think the evidence of its communication with him made that clear. I am not saying that Mr H refused to ever have an inspection – but it's clear that until matters came to this service he wasn't completely willing to move forward with one. That is of course up to Mr H, but I don't think that means there has been a mistake by NF in handling the claim.

Mr H has explained the finance was activated prematurely in August 2023 and without a satisfaction note. I note the finance agreement says it commences when the supplier tells NF that the goods/services were supplied. It is not entirely clear what occurred here regarding the supplier's communication about completion with NF. But NF said when it spoke to Mr H in August 2023 he indicated the installation had taken place but the supplier was coming back to do some remedial work. I don't have that call but based on what Mr H told NF during the subsequent Section 75 claim – I don't think it shows the finance likely shouldn't have been activated back in August 2023. Based on the limited information NF had and what Mr H said and wrote it appeared the majority of the installation had taken place, albeit with some outstanding quality concerns. That wouldn't fairly be a reason not to activate the finance here.

In any event, the payments commencing is not something Mr H could have fairly delayed indefinitely. Ultimately, he had agreed to pay for the installation – and commencing finance did not prevent him from pursuing a dispute about the installation. Furthermore, had the finance not been activated there might have been question marks over whether Mr H was able to pursue a Section 75 claim against NF in the first instance.

I also note NF in its response to Mr H said it was not willing to stop his payments (Mr H had requested to do this at the time) – and considering the limited information it had at the time to show the full extent of any issues with the installation, I don't think this was unreasonable.

I say this also noting that there was no indication Mr H was in financial difficulties, nor did continuing payment prevent him from continuing any dispute in respect of the actions of the supplier. Furthermore, as I have already indicated price reduction or compensation was not an appropriate remedy based on the limited information available to NF at the time. So it was fair that NF expected him to carry on paying.

Broadly I don't consider NF handled the claim Mr H brought to it unfairly. Therefore, I don't consider it reasonable to uphold his complaint about the handling of said claim.

Post-complaint issues

Once the complaint was referred to this service Mr H agreed to get an expert report. This led to NF offering him a resolution which he has now accepted. Because the report was obtained later on it isn't something I consider material to the outcome of this complaint about the claim (which I think was handled fairly). And even if I were to agree NF should have obtained this report as part of the initial claim handling (which I don't - as I don't see how it could have without Mr H's consent to pass over his information) I note Mr H has now accepted a full and final settlement flowing from it and in regard to his underlying claim against the supplier. This effectively brings NF's liability regarding the Section 75 '*like claim*' against it to an end. So, in any case, I would not fairly conclude it should be doing more in respect of its liability for the actions of the supplier. Furthermore, and in any event it would be unlikely any recommendation by me pertaining to that would have been to the extent of NF's eventual settlement here – noting that Mr H has been permitted to retain the installation and receive a full refund too.

I note Mr H has raised several additional complaint points since he raised his initial complaint with NF and while the matter has been with this service. For example about his decision to stop making payments to the loan while the case has been with this service (and the subsequent arrears correspondence received) and what he refers to as data reporting breaches. These are not issues which are the subject matter of this complaint – Mr H may wish to raise these separately.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 December 2025.

Mark Lancod
Ombudsman