

The complaint

Mr A complains Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance ("Novuna") didn't allow him to reject a boiler financed through a loan, which he says is faulty.

What happened

The background to this complaint is well known to both parties, so I won't repeat it at length here. As a summary, in February 2025, Mr A bought a new boiler including installation from a company I'll call "B", financed in part through a fixed sum loan agreement with Novuna.

Following this, Mr A says he exercised his right to reject the boiler with B. He says the boiler had been misrepresented as B had agreed to match a competitors offer and hadn't done this. Mr A also said the boiler was faulty and leaking. B didn't agree Mr A was entitled to reject the boiler and said it wanted to arrange an engineer to try and fix the leak.

Unhappy with B's response Mr A raised a claim under Section 75 of The Consumer Credit Act 1974 (Section 75) with Novuna. He raised concerns the boiler had been misrepresented and the problems with the boiler amounted to a breach of contract. Mr A said he was therefore entitled to reject the boiler and unwind the finance agreement.

Novuna didn't accept Mr A's claim. It didn't agree the boiler had been misrepresented and said as the problems related to the installation, B was entitled to attempt a repair in the first instance. Novuna acknowledged Mr A had raised further concerns about the boiler and the manufacturer said it wouldn't visit until the engineer had attempted to fix the leak, which it thought was reasonable.

Unhappy with Novuna's response, Mr A referred his concerns to the Financial Ombudsman. I previously issued my previous findings on Mr A's complaint, which I've included below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've given consideration to the relevant rules and regulations applicable to this complaint, and while I may not comment on everything (only what I consider is key) this is not meant as a courtesy to either party, rather it reflects the informal nature of our service.

Section 75 sets out that, in certain circumstances, if Mr A paid for goods or services, in part or wholly via credit with Novuna, and there was a breach of contract or misrepresentation by the supplier (B), Novuna can be held jointly responsible.

There are conditions that need to be met for Section 75 to apply. One of these is that there needs to be a 'debtor-creditor-supplier' (DCS) agreement in place between the parties to the transaction. Another is that the item purchased must fall within set financial limits. I'm satisfied Mr A's claim, meets these requirements.

I've therefore gone on to consider whether Novuna was reasonable in declining Mr A's Section 75 claim.

Has there been a misrepresentation or breach of contract?

Misrepresentation

In the circumstances of this complaint, to say there'd been a misrepresentation, I'd need to be satisfied a false statement of fact induced Mr A into the contract which led him to suffer a loss.

Mr A has raised concerns he was misled as to what he would be receiving under the agreement, having raised a price match from B. Having received a quote from B (for the goods he eventually purchased), Mr A provided the details of a competitor's offer for the same boiler, however this offer included a different thermostat and came with a longer guarantee. B then said it would match the price of the quote Mr A had provided.

I haven't however seen anything from B to say it would provide the same package as the competitor. Having reduced the price of Mr A's quote, B provided an amended invoice, which set out the thermostat and guarantee that was included in the price and I haven't seen anything to say B suggested it would offer the package the competitor had offered.

So, I haven't found that B made a false statement here. I would also acknowledge that B offered to provide an upgraded thermostat at no cost.

Breach of contract

A breach of contract occurs when one party to the contract fails to discharge its obligation to the other. These obligations may come about as a result of the express term of the contract, or because of terms implied by legislation.

With this in mind in deciding what is fair and reasonable outcome is, I've considered the terms implied by the Consumer Rights Act 2015 (CRA), that says goods will be of satisfactory quality. Satisfactory quality means the standard that a reasonable person would consider satisfactory taking into account the price, description and other relevant circumstances. If the goods purchased fail to meet these standards then this would be considered a breach of contract – something for which Novuna would be liable for.

A further implied term of the CRA is that the service B provided would have been carried out with "reasonable care and skill". Here the installation of the boiler can be considered a service B are providing.

Our Investigator considered that the boiler was not free from defects and because Mr A raised his concerns with B within 30 days of delivery, he should be able to reject the boiler and receive a full refund. However, based on what I've seen, I don't agree this is a fair resolution, I'll explain why.

All parties accept that something has gone wrong, as at times the boiler leaks while in use. The most persuasive evidence to the cause of the problem is the manufacturers report from 28 February 2025, which outlines this is likely due to the installation of boiler and the flue.

Mr A has raised further concerns about the electrics of the boiler, however the manufacturer declined to inspect this until B had carried out repairs work to the flue. The manufacturer said it was possible these problems were linked, and any repair to the installation may therefore resolve all the issues.

So, while it's not in dispute that there is a problem, the evidence suggests this is due to the fact the installation wasn't carried out with reasonable care and skill, rather than there being an inherent problem with the boiler itself.

The CRA says, a consumer generally has 30 days to reject goods which are not of satisfactory quality and get a full refund. But the same doesn't apply when installation forms part of a contract. Of relevance here is section 15 of the CRA (Installation as part of conformity of the goods with the contract), which says:

- (1) Goods do not conform to a contract to supply goods if—
 - (a) installation of the goods forms part of the contract,
 - (b) the goods are installed by the trader or under the trader's responsibility, and
 - (c) the goods are installed incorrectly

The CRA then goes on to say, under section 19 Consumer's rights to enforce terms about goods:

- (4) If the goods do not conform to the contract under section 15 or because of a breach of requirements that are stated in the contract, the consumer's rights (and the provisions about them and when they are available) are—
 - (a) the right to repair or replacement (section 23); and
 - (b) the right to a price reduction or the final right to reject (sections 20 and 24).

Of importance here, is that a final right to reject can only be made, once attempts to repair or replace the item have failed.

In effect, this means as the installation formed part of the contract Mr A entered with B, and I consider it is this part of the contract that has been breached, under the CRA, this means, B must first be given the opportunity to repair or replace the items. If this fails Mr A may then be entitled to a price reduction or to request a full refund.

With this in mind, for the reasons I've explained, while I consider there has been a breach of contract here, I don't agree Mr A had a right to reject under the CRA at this time because I consider the issue in this case is as a result of installation.

I do think Mr A has the right to repair or replacement. So, I think it's reasonable to say B should be given the opportunity to put things right in the first instance, by carrying out a repair or replacement. As such, I don't think Novuna is unreasonable in declining Mr A's claim under Section 75, as while something has gone wrong, B has made a fair offer to put things right.

As a result, while I appreciate this answer will come as a disappointment, I haven't found Novuna was unreasonable in its consideration of Mr A's Section 75 claim, so don't intend to direct it to do anything differently.

Responses to my provisional findings

Novuna accepted my provisional findings and said it had no further comments to provide. Mr A disagreed with the conclusions I reached in my provisional findings and provided further comments, which I've summarised below:

- B made a like for like price match promise and didn't deliver this, which is a misrepresentation
- Its evident boiler was water damaged through negligence or defective manufacture

- Contradictory reports were provided by B and the manufacturer
- Five visits were carried out after the boiler was installed but no repair works were carried out
- Novuna accepted a chargeback from his bank for the deposit he'd paid towards the boiler, this is implicit in conceding their liability under the contract

The complaint has therefore been passed back to me, so I can make 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.

Having done so, I've reached the same conclusions as those set out in my provisional findings. I realise this answer will come as a disappointment to Mr A, however, I haven't found Novuna was unreasonable in its consideration of his Section 75 claim. So, I don't then find it must do something differently.

I've taken on board Mr A's further comments in relation to the price match B offered, prior to purchasing the boiler. However, for the reasons I've set out in my provisional findings, I don't think this demonstrates B made a false statement of fact.

B confirmed it would match the price offered by a competitor, it then provided an updated invoice, which set out what was included within this price. I'm satisfied Mr A was given a reasonable opportunity to review this and choose whether he wanted to go ahead with making the purchase through B. So, I haven't found there's been a misrepresentation to mean Novuna is liable to provide a remedy under Section 75.

Moving to Mr A's concerns about the boiler following its delivery and installation. I appreciate there was back and forth between B and the manufacturer visiting Mr A's home shortly after the boiler was installed to try and identify the problem. As I've explained above, I think the most persuasive evidence as to the cause of the problem is the manufacturer's report of 28 February 2025, which outlines the problems stem from the installation.

As a result, the evidence supports that the problems with Mr A's boiler are most likely due to problems with the installation. Under the CRA, which sets out the remedies Mr A is entitled to, in the first instance, B is required to attempt a repair. Therefore I haven't found Novuna was unreasonable in declining Mr A's Section 75 claim, as B offered to return and carry out repairs to the installation of the boiler.

Should B attempt to rectify the problems with the boiler installation and this not be successful, Mr R is then free to discuss his options further with B and Novuna and can raise a separate complaint if he remains unhappy.

I've also considered Mr A's comments that as he made a successful chargeback claim against Novuna for the deposit of the boiler, this is an admission of liability, therefore it's logical his claim should succeed. I'm not aware of why Mr A's chargeback claim against Novuna was successful, but I would note that the chargeback would have been raised by Mr A's card provider, and the rules of the chargeback scheme are different to those set out in Section 75. And for the reasons I've set out, I'm satisfied Novuna was fair in its consideration of Mr A's Section 75 claim.

Therefore, while I know this won't be the answer Mr A is hoping for, as I think Novuna was fair in considering its obligations under Section 75, following the installation of the boiler, I won't be directing it to do anything further.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 December 2025.

Christopher Convery
Ombudsman