

## **The complaint**

Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance ('Novuna') provided Mr G with two loans. The first was issued in April 2024 and was for £13,000 and the second was issued in February 2025 and was for £12,000. Mr G says the credit was provided irresponsibly.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them again 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.

I've considered all the available evidence and arguments to decide what is 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 G's case.

I note Mr G's comment about the outcome to another complaint. However, my decision is based on what I consider fair and reasonable given the unique circumstances of this complaint, taking all relevant rules, regulations and guidance into account.

Mr G was provided with two loans and I have considered each lending decision below.

### *Loan one: April 2024*

I've decided the credit was provided fairly because:

- I think the checks Novuna did before providing the credit were reasonable and proportionate given the credit it offered and what it knew about Mr G's financial situation.
- Mr G declared his annual income as £53,000. Novuna used an industry tool to validate the income figure and found this to be high. Because of this it reduced the declared income figure to give a minimum income of £32,000, equivalent to £2,148 a month. While I do not think in this case Novuna was required to request copies of Mr G's bank statements, I can see from the statements provided that had it done so a higher income figure than the £2,148 noted above would have been identified.
- The credit check showed Mr G had £7,800 of outstanding credit commitments with monthly repayments of around £233. I do not think this level of debt suggested Mr G was overindebted and I further note that the loan was intended for debt consolidation. The credit check showed no defaults, or recent adverse data and recorded his

accounts as being up to date. Therefore, I do not find that Mr G's credit check raised concerns that he was struggling financially so I do not think that further checks were needed.

- Mr G declared in his application that he was a co-habiting homeowner with no mortgage. No mortgage was identified on the credit check. Deducting Mr G's existing credit commitments and the repayments due on the Novuna loan would leave him with around £1,522 to cover his other costs. So, based on the information Novuna gathered and what it knew about Mr G's circumstances, there was nothing to suggest Mr G was likely to be unable to sustainably repay what he was being lent.
- I don't think Novuna acted unfairly in any other way.

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

#### *Loan two: February 2025*

I've decided the credit was provided fairly because:

- I think the checks Novuna did before providing the credit were reasonable and proportionate given the credit it offered and what it knew about Mr G's financial situation.
- This was Mr G's second loan and he had maintained the repayments on his first loan.
- Mr G declared his annual income as £63,000. Novuna used an industry tool to validate the income figure, and this returned a 'low' figure, which meant the declared income was supported by the checks. Based on the annual income figure, a monthly net income of £3,800 was used in the affordability calculation. I think it reasonable this was relied on. While I note Mr G's bank account statements show a lower income figure (around £3,066 in the months leading up to the lending) I do not find that Novuna was required to request copies of these statements. That said, even if the lower figure was used, I still don't find that this would suggest the lending to be unaffordable.
- The credit check showed Mr G had £35,200 of outstanding credit commitments, including £11,750 of revolving credit. Mr G's repayments towards his existing credit commitments were calculated based on his credit file as being around £1,137. While this was a higher figure than recorded in April 2024, I still do not find this was at a level, when considering Mr G's income, that suggested he was overindebted. The credit check showed no defaults, or recent adverse data and recorded his accounts as being up to date. Therefore, I do not find that Mr G's credit check raised concerns that he was struggling financially or were such that further checks were needed.
- Mr G declared in his application that he was a co-habiting homeowner with no mortgage. No mortgage was identified on the credit check. Deducting, Mr G's existing credit commitments and the repayments due on the Novuna loan would leave him with around £2,316 to cover his other costs. So, based on the information Novuna gathered and what it knew about Mr G's circumstances, there was nothing to suggest Mr G was likely to be unable to sustainably repay what he was being lent.
- I don't think Novuna acted unfairly in any other way.

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

I know this isn't the outcome Mr G hoped for. But for the reasons above, I'm not asking Novuna to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding Mr G'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 G to accept or reject my decision before 23 March 2026.

Jane Archer  
**Ombudsman**