

The complaint

Mrs S complains about the way Mitsubishi HC Capital UK PLC trading as Novuna Consumer Finance ('Novuna') handled her claim for a refund.

Mrs S's husband has acted on behalf of Mrs S during the claim itself and the complaint. All references to Mrs S will include information, correspondence and evidence submitted by her husband.

What happened

On 30 May 2024, Mrs S received delivery of a kitchen supplied by a business I'll refer to as 'H'. H entered into administration and is no longer trading. The cost of the kitchen was funded with a £10,000 (0% interest) fixed sum loan provided by Novuna with repayments of just over £208 per month. On 8 June 2024, Mrs S contacted H to complain about damaged items particularly with respect to the cabinets (the 'units') most of which she said was faulty. Correspondence ensued between Mrs S and H. And in an email dated 13 June 2024, Mrs S told H she'd installed (I'll use 'installed' and 'fitted' interchangeably) the kitchen which she said was a temporary measure to avoid further distress to her family. Amongst other things, Mrs S wanted to be compensated for the faulty units, the re-installing of the kitchen and various other expenses.

H responded saying whilst it would replace any faulty units, it wouldn't agree to pay for the removal/re-installing of the kitchen as it was a supply only contract. Mrs S referred matters to Novuna seeking remedial action under section 75 ('section 75') of the Consumer Credit Act 1974 ('CCA'). Novuna endorsed H's offer. Mrs S remained unhappy and after complaining to Novuna referred matters to our Service. Whilst the matter was with us, an independent (expert) assessment of the kitchen was arranged between the parties. The findings of the expert report didn't change Novuna's decision.

Our investigator thought the offer made by Novuna was fair and reasonable. I issued a provisional decision agreeing with this outcome but providing additional reasoning for doing so. Mrs S disagreed, making several points including that: she had reasonably placed reliance on what she was told by H's kitchen designer (the 'designer'); a witness statement dated 20 December 2025 from a third party confirms what the designer said; she had no choice but to fit the kitchen – it wasn't a voluntary act; and Novuna's remedy isn't sufficient to cover the losses suffered. So, the matter has been passed back 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.

I've fully reconsidered my decision in light of Mrs S's further submissions, but my decision remains the same as that set out in my provisional decision. Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service.

Section 75 of the CCA

Briefly summarised section 75 of the CCA says that where a consumer uses certain types of credit such as the type of fixed sum loan used here to purchase goods and/or services and there's a misrepresentation and/or breach of contract by the supplier (in this case H), the consumer will have a 'like' claim against the provider of finance (Novuna) as they would against the supplier. There are other conditions, but it's not disputed they're met in the circumstances of this complaint.

What I'm reviewing here is whether Novuna has acted fairly in the way it dealt with Mrs S's section 75 claim. In essence, I'm looking at the claims handling. I'm not a court so whilst I've had regard to the law including the Consumer Rights Act 2015 ('CRA') (satisfactory quality etc), I am not making a finding on whether there has actually been a breach of contract or misrepresentation. Only a court can make a finding in this regard. However, I do think Novuna needs to fairly and reasonably conclude whether to accept liability under section 75 of the CCA. In this respect, there doesn't seem to be any dispute some units were faulty. I note what Mrs S says about H having misrepresented the quality of the goods. But as the issue is about matters that arose after the contract (i.e. failure to fulfil contractual obligations), I think the most relevant issue is for breach of contract.

Having reviewed the correspondence between Mrs S (and her husband) and H, it does appear to me that H was willing to replace the faulty units from the outset, so long as suitable evidence was provided. I can see Mrs S did provide a list of the faulty units. However, H also wanted photos of the relevant units. Mrs S didn't initially want to provide these as she told H its designer had visited on 6 June 2024 taking photos at that point. But from what I can see H was simply trying to investigate a claim for breach of contract and asking for photos to be sent by email by the person making the claim didn't seem unreasonable. In any event, I can't see this caused any unreasonable delays – Mrs S reported the matter to H on 8 June 2024 and from what I can see, H was saying it would accept the claim with suitable evidence from the outset and certainly before Mrs H arranged to have the kitchen fitted which was on, or around, 13 June 2024. It was after this point that Mrs S sent the requested information to H.

Under the CRA there are a number of remedies available to consumers where there's been a breach of contract (which I think is the most relevant issue here). If the matter happened within 30 days, there is a short-term right to reject any faulty units. But I can't see that Mrs S opted to reject the goods within this period. Rather she arranged for the kitchen to be installed which doesn't appear to be the actions of someone wanting to reject the goods. H said it was still willing to replace any faulty units whether fitted or not – it just wasn't willing to pay for the costs of removal/re-installation which seems to be the sticking point in this case. H wouldn't agree to pay for these costs because it was a supply only contract. And when the matter was escalated to Novuna, it endorsed H's offer and also declined to pay for the removal/installation costs. I don't think this was unreasonable or unfair given the nature of the contract was for the supply of the kitchen only (i.e. didn't include installation) and there was a reasonable offer being made to replace any faulty units.

Mrs S says that a number of units were replaced on 30 June 2024, so she has a right to reject these as they were still faulty. However, Novuna says as far as it can tell no units were replaced as it was still awaiting Mrs S's agreement for this to happen. And from what I can see by the time Mrs S escalated matters to Novuna, she still hadn't agreed to H replacing any of the faulty units. Even if I'm wrong about that, it doesn't appear to me Mrs S wanted to reject the replaced units until at the earliest 29 July 2024 – even this isn't entirely clear as Mrs S was still asking for replacements (as well as compensation) or significant compensation to keep the faulty items. And even if she had a right to reject at this point or a price reduction for example, Novuna wouldn't agree to cover the costs of removal/re-installation which I don't think was unfair or

unreasonable in a case of a supply only contract.

I should also note here that even if Mrs S had the right to reject some of the units, this wouldn't give her the right to reject everything as some of the goods delivered such as the electrical items were in good working order. Further, I can see that H did offer a 'gesture of goodwill' if Mrs S wanted to keep the faulty units. I've taken account of everything Mrs S has said about this point and the fact she doesn't think H made her a reasonable offer. But my view, in terms of Novuna, I think its offer to replace any faulty units (and to facilitate this) was a fair and reasonable offer and as far as I can tell, in line with the CRA remedies. I appreciate what Mrs S says about having no choice but to go ahead with the installation before a settlement had been reached, which is something she reiterated in her response to my provisional decision. She said she needed a fully functioning kitchen for her family. However, this still doesn't mean Novuna is responsible for costs related to the removal/installation of the kitchen.

Mrs S says that H's kitchen designer who viewed the damaged units on 6 June 2024, had said she should install the kitchen even though some of the units were faulty. I've fully reconsidered this point and taken account of the evidence provided by Mrs S about what she says she was told. Whilst I can't see she has presented the witness statement to Novuna, based on all the evidence that was available to it, including the independent report and all the messages between Mrs S and H (and its designer), I'm not persuaded the fitting of the kitchen was the fault of H. H consistently said in its messages that it would replace faulty items, but it wouldn't be liable for the cost of removal/re-installing the kitchen. And there is an expectation that consumers will mitigate any potential losses. From everything I've seen, there was a reasonable offer on the table at a very early stage. So, I won't be asking Novuna to pay for the removal/re-installation costs.

Other costs Mrs S is claiming such as compensation for temporary accommodation whilst the kitchen works are being carried out, appear to be indirect costs for which I can't fairly or reasonably say Novuna is acting incorrectly for not accepting liability for. These costs appear too remote from the actual breach of the supply only contract. I appreciate Mrs S has a full time job and taking time off work to take delivery may cause her some inconvenience. But I've not seen persuasive evidence that she should be compensated for costs which haven't arisen yet. Or that the units can't be delivered at a mutually convenient time.

I know Mrs S has referred to various legislation/law to support her case including those relating to unfair terms. She says this is because she feels Novuna is saying she has forfeited her rights under the contract with H because she fitted the kitchen. But I don't think Novuna has said this to Mrs S. Rather, it has said that it will not pay for cost related to the removal/re-installing of the kitchen which for the reasons I've set out above, isn't unfair or unreasonable. I also don't think Novuna can be said to have been unjustly enriched as Mrs S claims, as it was willing (and is still willing) to replace any faulty units.

I can see there is now an independent expert report dated 17 September 2025. This was fourteen months after the kitchen was fitted. And was only arranged because Mrs S said that more damage had occurred. So, the technician (expert) was instructed to get a more up to date picture of the faults. The expert report does point out some faults. However, they weren't able to say how these faults occurred due to the length of time that's passed. I note Mrs S did ask H for an independent assessment early in the claims process. But H said it was willing to settle the matter so long as Mrs S sent some photos of the relevant faulty units. I'm satisfied Novuna's original offer to replace any faulty units was a fair and reasonable resolution. I don't think it had to arrange an independent expert assessment to reach this conclusion.

All in all, having reconsidered everything, I remain of the view that Novuna has acted fairly and reasonably in terms of the way it has dealt with Mrs S's section 75 claim.

Loan agreement

Mrs S complains about Novuna paying the loan funds to H whilst there was an ongoing dispute. However, I'm satisfied the payment was made in line with the loan agreement. The goods were delivered which is what triggered the payment to H and the fact some units were faulty didn't mean Novuna acted incorrectly when it made the relevant payment. I note what Mrs S says about being asked to make her repayments whilst there was an ongoing dispute. But again, I'm satisfied this was in line with the terms of the loan agreement.

Customer service

Mrs S says there was poor customer service on the part of H and Novuna. Amongst other things, she says that both H and Novuna failed to resolve this matter within a reasonable timescale. In terms of the service provided by H, as Novuna has said its liability only extends to issues related to any breach of contract/misrepresentation and not customer service issues by H. And looking at the overall timescales, I can't fairly or reasonably say there was any unreasonable delays caused by Novuna. This is a legal claim and Novuna does need an opportunity to investigate matters. From what I can see, Mrs S made her claim towards the end of July 2024 and Novuna responded to the claim by October/November 2024, which I don't think was an unreasonable delay.

I've noted what Mrs S said about Novuna's agents lacking empathy to her during the claims handling process. This can be quite a subjective matter (empathy) and I can see Novuna has paid Mrs S £35 for issues related to its communications. I'm satisfied this is fair compensation particularly as it seems to me that, overall, Novuna handled the claim fairly and reasonably.

For all the above reasons, I'm not upholding the complaint. I know this is not the outcome Mrs S wants. However, my role is to settle matters informally, so Mrs S doesn't have to accept my findings and may pursue this matter through alternative means, such as court (taking appropriate advice), should she wish to do so.

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 Mrs S to accept or reject my decision before 30 January 2026.

Yolande Mcleod
Ombudsman