

The complaint

Mr A complains about the handling of a fixed sum loan agreement he has with Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance.

What happened

In April 2019, Mr A took out a fixed sum loan agreement with Novuna to buy a used car from a dealer, with a cash price of £22,000. After paying a deposit of £2,000, Mr A was scheduled to make monthly repayments of around £430 over a five year period.

About a year later, Mr A spoke to the dealer about an arrangement they had. He says the dealer didn't supply him with the car as intended. Instead, Mr A says the dealer told him he would pay him back the equivalent of the loan amount in instalments.

However, Mr A says the dealer didn't follow through with all of that arrangement, leaving Mr A with a shortfall of about £3,000. So, Mr A complained to Novuna and said he wouldn't repay the funds he hadn't received. In their final response to Mr A's complaint, Novuna said that Mr A told them he had received the car financed under the agreement and was happy with it.

Mr A didn't take his complaint any further. But, in February 2025, he contacted Novuna to again complain about the instalments he had received from the dealer. Mr A also complained about the missed payment information Novuna had recorded on his credit file.

In their subsequent response to Mr A's concerns, Novuna repeated what they said about the instalments in 2020. They also explained that as Mr A had stopped making payments towards the loan, the adverse information on his credit file was a true reflection of the repayment history. Mr A didn't accept Novuna's response and brought his complaint to our service.

One of our investigators looked into Mr A's case and found that we couldn't consider his concerns about the payments he had received from the dealer. He said Mr A had brought it to us beyond the time frame set out by Novuna. However, the investigator did consider the missed payment information. He agreed with Novuna in that they hadn't made a mistake in recording the repayment history with credit reference agencies.

Mr A didn't agree with the investigator's findings and said the reason he cancelled the repayments, was because Novuna had failed to look into the dealer's behaviour. The investigator didn't change his conclusions and Mr A's case was passed to me to make a decision.

Firstly, I issued a decision to say that we don't have the power to consider the part of Mr A's complaint, about the value of the funds he says the dealer was supposed to pay him. I said this because that part of Mr A's complaint had been brought to us out of time.

I also issued a provisional decision in respect of this complaint on 19 January 2026, a section of which is included below, and forms part of, this decision. In my provisional

decision, I set out the reasons why I didn't intend to uphold the part of Mr A's complaint about the missed payment information recorded on his credit file.

In my provisional decision I said:

Within his complaint, Mr A says he cancelled the monthly repayments to service his fixed sum loan agreement, because of the dealer's behaviour. He says there was an arrangement, whereby the dealer agreed to pay the equivalent value of the loan back to Mr A in 2019.

I can see from some evidence provided by Mr A, where he has copied and pasted a section of his bank account statements, which show several payments made to him by the dealer. I can also see from copies of emails Mr A has sent to us, where the dealer told Mr A that further payments will be made.

So, on the face of it, I'm persuaded that there was some sort of arrangement between Mr A and the dealer, separate from fixed sum loan agreement with Novuna. But, neither Mr A, the dealer, nor Novuna have provided any evidence to show what that agreement was. And it seems that Mr A was content with that agreement for around a year. I say this because it took Mr A from April 2019 until early 2020, to tell Novuna he wasn't satisfied with the loan.

Furthermore, I can see from Novuna's records that Mr A has accepted he was supplied with the car from the dealer. I say this after listening to a call Mr A had with Novuna when the loan was taken out to pay for the car. Within the call Mr A is asked several questions about the car and the loan itself. In response, Mr A didn't raise any questions, or worries to Novuna about the dealer's behaviour.

Against this background, I'm persuaded Mr A accepted the terms of the fixed sum loan agreement and was satisfied with the arrangements he had made with the dealer. I accept where that relationship later broke down, given the nature of the messages I've seen between Mr A and the dealer. And I can see where the person Mr A dealt with left the dealership and started their own business in the summer of 2020. But, as the arrangement with the dealer isn't clear, I don't think there's enough evidence to suggest Novuna should be held responsible for it.

Having considered everything, I haven't seen where it was reasonable for Mr A to stop making repayments to the loan, on the basis of any sort of wrongdoing by the dealer. I acknowledge where Mr A may have encountered financial difficulties, and that may be a reason why he stopped making the repayments. But, based on all the evidence, I think it was fair for Novuna to continue to hold Mr A responsible for the balance of the fixed sum loan agreement. It then follows, that there is an onus on Novuna to record information that reflects the repayment history of the loan in Mr A's name.

I've found that Mr A stopped making repayments towards the fixed sum loan in 2020, after he raised his initial concerns with Novuna. I can see from Novuna's records that they subsequently sent letters and messages to Mr A about the arrears of the loan, together with time frames of when the arrears needed to be brought up to date. Novuna's records go on to show where the arrears were not repaid.

With this in mind, I think it was fair for Novuna to pass on the details of the missed repayments and the outstanding balance of the loan, to credit reference agencies. This is because that information was an accurate description of what happened. I recognise that Mr A says this has had a detrimental impact on his credit score. But, I don't think it would be fair to require Novuna to take steps to remove that missed payment information now.

I'm aware that following my findings, Novuna or their debt recovery agent may start to contact Mr A to make arrangements for the repayment of the balance of the fixed sum loan. In doing so, I remind Novuna of their responsibility to treat Mr A's financial circumstances with due consideration and forbearance. This may mean, amongst other things, Novuna carefully considering Mr A's income and expenditure to put together an affordable repayment plan, if he needs such an arrangement.

I asked both Mr A and Novuna to let me have any further points that they wished me to consider by 2 February 2026. Novuna accepted my provisional decision, but Mr A didn't. In summary Mr A said:

- The dealer coerced him into signing the agreement and provided a script for him to read during the call he had with Novuna in April 2019.
- Both Novuna and the dealer had colluded to cause him a financial loss.
- The money paid to his account proves where the dealer is guilty and that means Novuna's final response letter from April 2020 is no longer valid.
- The dealer continues to pursue him to withdraw his complaint.
- In the year after the agreement started, he tried to resolve the missing funds issue and wasn't content with the fixed sum loan agreement.

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.

In doing so, I'd like Mr A to know that I've thought very carefully about the additional points he has raised, and I empathise further with the difficult financial position he says he's experiencing.

Mr A's main concern is that he says the dealer coerced him into signing the fixed sum loan agreement, going as far as providing him with a script with what to say if Novuna were to question him. He also said Novuna colluded with the dealer to take advantage of him. While I do not wish to diminish Mr A's strength of feeling here, on balance, I'm not persuaded he was coerced by the dealer to take out the loan with Novuna.

I say this because I don't think the messages I've seen between Mr A and the dealer, show where pressure was applied to Mr A. Additionally, the phone call between Mr A and Novuna shortly after the loan started, doesn't support Mr A's view that he was under duress at the time. Furthermore, I need to take into account where Mr A made payments towards the loan for around a year, before raising any concerns. I think this adds weight to Novuna's argument that Mr A was satisfied with the fixed loan agreement.

Overall, I'm still persuaded that Mr A gave his authority for the borrowing to go ahead, and that Novuna treated him fairly, when making arrangements with the dealer for the sale of the car.

Mr A accepts that he continued to make repayments towards the fixed sum loan from April 2019. But, in the background, he says he was trying to resolve things with the dealer. I can see from the correspondence Mr A has sent to us, where the arrangement he had with the dealer started to go wrong in early 2020. But, I cannot see where he had raised his concerns before this. So, I don't think what Mr A has sent to us, demonstrates where he was unhappy

with the loan, or the dealer when the loan was agreed.

Having reconsidered everything, I'm not persuaded Mr A objected to taking out the borrowing with Novuna. I think Novuna treated Mr A fairly when the car was purchased and that he was responsible for the repayments due under the hire purchase agreement. There's no dispute that Mr A went on to cancel the direct debt used to service the loan, meaning some of the repayments were missed.

So, I remain of the view that the missed payment information recorded on Mr A's credit file, is a fair reflection of what happened. Therefore, I still don't think Novuna have treated Mr A unfairly, in deciding not to remove the adverse information that Mr A has complained about. Should Mr A have difficulty making the repayments due to the loan, then Novuna have a responsibility to consider Mr A's financial circumstances, when arranging a repayment plan.

My final decision

My final decision is that I do not uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 March 2026.

Sam Wedderburn
Ombudsman