

## **The complaint**

Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance provided Mr B with a £10,000 loan in April 2024 and a £5,000 loan in March 2025. Mr B 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.

Having considered everything, I'm not upholding Mr B's complaint. I'll explain my reasoning below:

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 B's case.

Mr B was provided with two loans by Novuna Personal Finance. I have looked at the checks carried out before the loans were issued and I agree with our investigator's view that further checks should have been undertaken. This is because of the size and timing of the loans and also noting the initial checks showed discrepancies between the declared and verified income figures. In this case, I think further certainty was needed regarding Mr B's income and expenses to assess whether the loan repayments would be sustainably affordable.

However, deciding that further checks were needed doesn't necessarily mean that I can uphold this complaint. I need to establish whether, had proportionate checks taken place, it was reasonable to provide the credit.

I have considered each lending decision below.

### *Loan one: April 2024*

I've decided the credit was provided fairly because:

- If Novuna Personal Finance had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the credit to Mr B. The credit report showed no recent defaulted or delinquent accounts and didn't suggest Mr B was over indebted.
- Mr B provided copies of his joint account statements, so I find it reasonable the household income and expenses are assessed. The statements show a monthly household income of around £3,630. Deducting the household expenditure for costs such as utilities, insurances, communication contracts, existing credit commitments,

the repayments due under this loan and general living costs such as food and transport resulted in remaining disposable household income of around £600.

- While I think the above approach is reasonable, I do not find the outcome would change if Mr B's income and share of expenses were assessed. Mr B's income was around £1,930 a month. Deducting half of the costs identified in the joint statements (given the other income into the account and benefits haven't been included in the income figure), would give disposable income before the repayments for this loan of around £540. Noting the cost of the loan repayments (£263.37), I do not find I can say that further checks would have shown the loan to be unaffordable.
- Based on the information Mr B has provided about his circumstances at the time, there was nothing to suggest Mr B was likely to be unable to sustainably repay what he was being lent.
- I don't think Novuna Personal Finance acted unfairly in any other way.

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

#### *Loan two: March 2025*

I've decided the credit was provided fairly because:

- If Novuna Personal Finance had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the credit to Mr B. The credit report showed no defaulted or delinquent accounts and didn't suggest Mr B was over indebted.
- Mr B provided copies of his joint account statements, so I find it reasonable the household income and expenses are assessed. The statements show a monthly household income of around £4,130. Deducting the household expenditure for costs such as utilities, insurances, communication contracts, existing credit commitments, the repayments due under this loan and general living costs such as food and transport resulted in disposable household income of around £850.
- While I think the above approach is reasonable, I do not find the outcome would change if Mr B's income and share of expenses were assessed. Mr B's income was around £2,165 a month. Deducting half of the costs identified in the joint statements (given the other income into the account and benefits haven't been included in the income figure), would give disposable income before the repayments for this loan of around £600. Noting the cost of the loan repayments (£156.97), I do not find I can say that further checks would have shown the loan to be unaffordable.
- I don't think Novuna Personal Finance acted unfairly in any other way.

This means I don't think Novuna Personal Finance did anything wrong when it provided loan two to Mr B.

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 Personal Finance lent irresponsibly to Mr B 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 B hoped for. But for the reasons above, I'm not asking Novuna Personal Finance to do anything to put things right.

**My final decision**

My final decision is that I'm not upholding this 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 B to accept or reject my decision before 11 May 2026.

Jane Archer  
**Ombudsman**