

## The complaint

Mr G complains that RCI Financial Services Limited trading as Nissan Financial Services has unfairly imposed end of contract charges for the condition of a car when it was handed back. He also says that RCI didn't handle his complaint in a timely or professional manner causing him unnecessary distress.

## What happened

In September 2019 Mr G entered into a three-year leasing agreement for a new car. At the end of the agreement Mr G arranged with RCI for the car to be inspected and then collected. The assessor prepared a report and took photos of any damage they found.

Mr G says the assessor who attended warned him to challenge any damage charges raised by RCI as they were "*always excessive*." Mr G then received an invoice for damages amounting to £501. Mr G says he found the charges excessive in that the damage to the car would be what was expected taking into account its age and mileage and was minor only in nature. However, he said he accepted the damage recorded to the two alloy wheels. He also said that he thought the costs imposed for the damage was excessive.

Mr G contacted RCI to complain about the end of contract charges. He says the agent informed him that he couldn't complain because these charges were in line with the contract's terms and conditions. However, after being challenged by Mr G, the agent later did open a complaint for him.

Mr G says he was unhappy at the length of time it took RCI to deal with his complaint which was several weeks and that there were delays in RCI responding to him. RCI issued a final decision letter to Mr G in March 2023 and said that the charges were supported by photographic evidence and that the car had actually made a loss when sold. RCI said that all the charges were in line with the terms and conditions of the hire agreement but that it would, as a gesture of goodwill, reduce the amount due by £147.74 leaving £353.26 to be paid.

Mr G was unhappy at RCI's response as he said it hadn't responded to the issues he had raised in respect of the assessor's comments, that the agent had said he couldn't make a complaint and that excessive costs had been applied for the damage. He was also unhappy at how long it had taken for his complaint to be considered.

Mr G made a complaint to this service about RCI's handling of the end of contract charges. RCI said that it had followed its dispute process which included a review of the damage and a gesture of goodwill made.

Our investigator didn't recommend Mr G's complaint should be upheld. He said that although he appreciated Mr G was very unhappy about the service RCI had provided him in respect of the end of contract charges for the damage found, he was satisfied that the charges had in themselves been fair. Our investigator said that the evidence provided showed that the damage found on the vehicle when it had been inspected was more than reasonable wear and tear and, in accordance with the British Vehicle Rental and Leasing Association

("BVRLA") guidelines, was chargeable. He said that although he accepted the service provided by RCI would have caused Mr G frustration, this wouldn't impact on the charges being owed by him and hadn't caused Mr G any financial loss. Our investigator said he was therefore not persuaded that RCI should do more than it had as a gesture of goodwill.

Mr G disagreed with our investigator's view. He said that the charges imposed by RCI for the damage were excessive, that its service had been appalling and it should be held to account.

### **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 considering what is fair and reasonable I've looked at the evidence that has been provided together with the relevant law and regulations, guidance and standards, codes of practice and industry practices. I've seen Mr G has raised that this service should have obtained copies of the calls between himself and RCI, but I don't think that is necessary and I will explain why below when looking at the issues raised by Mr G's complaint.

Mr G's hire agreement is a regulated agreement and as such this service is able to consider complaints relating to it. Mr G entered into a hire agreement for a new car and the agreement was for three years. Under the terms and conditions of this contract Mr G was liable for the condition of the car and RCI would be able to charge him for any damage that was found on its return that would be considered beyond fair wear and tear.

The car was assessed at the end of the agreement in line with the hand back process. Mr G says that the assessor advised him to contest any charges with a warning that RCI would apply excessive costs for any damage found. Although Mr G raised this comment with RCI, he says it hasn't offered any response to it.

I don't know what was said by the assessor to Mr G at the time the car was inspected and the comments he's reported don't appear to be very professional. I also don't know what motive the assessor may have had when saying what is reported. However, I don't think I can reasonably hold RCI responsible if the assessor had expressed this view and I also don't think it's reasonable for me to give such a comment any weight. Instead, I will look at the other evidence that's been provided to decide whether RCI has acted fairly or unfairly in regard to any damage that was recorded in the assessment report given on the car.

Mr G says, given the car's use and age, that wear and tear should be reasonably expected and I don't disagree with that. The car wouldn't be expected, after three years of being driven, to be in the same condition as new. When assessing whether damage on the car is fair wear and tear or chargeable then referral to the BVRLA guidelines is reasonable. These guidelines set out what would be acceptable as usual wear and tear at the end of the first contract when the car had been supplied as new which is the situation for Mr G's car. These guidelines are also accepted as setting the industry standard for what is and isn't fair wear and tear. I will be considering their guidance when looking at the damage recorded on Mr G's car.

Looking at the assessor's report, I can see that photos of the damage found on the car are included together with the cost that will be charged in respect of each area of damage. There were eight areas of damage noted in total. I understand Mr G isn't disputing the condition of the two alloy wheels which have been reported as scuffed with spoke damage. The photos of these two wheels do confirm what is recorded. The BVRLA guidelines state that *'Any damage to the wheel spokes, wheel fascia, or hub of the wheel/alloy is not acceptable.'*

*There must be no rust or corrosion on the alloy wheels/wheel hubs.* I'm satisfied that the evidence supports that the damage to the alloys is chargeable.

There are dents recorded on the left front door, the C post left and right (there is also minor paint damage to the left), the right quarter panel and the right B post (there is also minor paint damage noted). There are also a number of scuff marks to the rear bumper.

The BVRLA guidelines set out that *'Dents of 15mm or less in diameter are acceptable provided there are no more than two per panel and the paint surface is not broken.'* They also state that *'Surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out. A maximum of four surface scratches on one panel is acceptable'*.

The photos show that the dents in the door, C posts and B post are in excess of 15mm (a ruler is shown placed by these dents) and so I am satisfied this damage is chargeable. The dent to the quarter panel is under 15mm and so no charge has been made for that. In respect of the bumper, there are a number of scratches clearly visible and ranging between 26 and 100mm. Again, I'm satisfied this damage is chargeable.

I therefore don't agree with Mr G that the car's condition was as would reasonably be expected and I accept from the evidence provided that there was damage noted that was beyond fair wear and tear. This means the damage was chargeable where a charge had been imposed by RCI and Mr G was liable for that.

Mr G has said that the charges incurred were excessive for the actual damage. It isn't my role to comment on business decisions such as the level of charges imposed for damage found to a vehicle on return unless these were excessive and unfair. Looking at these particular charges, £85 for the damage to each of the alloys, £85 for the damage to the door, £90 for the damage to the bumper and £52 for the damage to the C posts and D post respectively, I can't reasonably say they are significantly more expensive than others I've seen imposed for similar damage by different businesses. And although I appreciate this will be of disappointment to Mr G, I disagree they are excessive and unreasonable.

Mr G raised with RCI that the car was worth more given the current market conditions and that this had also led to the charges being unfair as to the amount. However, RCI says it made a loss on the car when it was sold. I don't know the amount the car fetched but I think it's more likely than not that what RCI has reported is correct. I don't think that the used value of the car meant the charges imposed by RCI were therefore excessive in the circumstances.

I've seen that Mr G was originally invoiced a total end of contract damages charge of £501. RCI has subsequently reviewed that following Mr G's complaint and, as a gesture of goodwill, removed £147.77 from the invoice. Mr G says this is an admission by RCI that it had wrongly imposed the amount that it had but I disagree with that view. I think this is simply RCI reviewing Mr G's account and acting in goodwill and I think this is a fair gesture towards him.

Mr G has been clear that he found the customer service provided by RCI to have been of a poor standard. He has raised the length of time it took for him to receive responses and that RCI didn't provide answers to all of the issues he raised with it. However, a business' customer service in respect of dealing with a complaint made by a consumer isn't always a regulated activity and so may not be something that's within this service's remit to look at. And although the complaint was about the end of contract charges which RCI had invoiced Mr G, I can't say its handling of that complaint hasn't resulted in any financial detriment for him. That's because the charges were fairly imposed by RCI in respect of the condition of

the vehicle when Mr G returned it, and Mr G was liable for them.

I appreciate Mr G is unhappy the agent told him when he first made contact with RCI that he couldn't complain, but a complaint was opened on his behalf which resulted in the gesture of goodwill being made. So, I although I accept that would have been frustrating for Mr G, he was able to pursue his complaint.

I also appreciate that Mr G says that he suffered undue delays and that communication with RCI was poor while it dealt with his complaint, but I think it's reasonable to consider those as being issues of customer service. And even if RCI's communication with Mr G caused confusion for him (and I make no finding in respect of that) then the gesture of goodwill is line with what I would be considering as compensation. I'm not therefore going to ask RCI to increase the amount deducted from the end of contract charges.

For the reasons given, I'm not upholding Mr G's complaint.

### **My final decision**

For the reasons set out above I'm not upholding Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 January 2024.

Jocelyn Griffith  
**Ombudsman**