

The complaint

Mrs R complains about the end of contract charges in relation to a car that was supplied through a hire agreement with Mitsubishi HC Capital UK Plc trading as Novuna Vehicle Solutions (MHC).

What happened

In September 2020, Mrs R leased a new car through a hire agreement from MHC. Mrs R made an advanced rental of £2,004.70 which left 35 rentals of £222.74.

Mrs R says that a few days after collecting the car she noticed the left side of the bumper had slightly '*popped out*', but that a gentle push would make it go back in. Mrs R said this continued through the course of her lease agreement but didn't cause her any problems, so she didn't report it. She said bringing her car into a garage for repairs would be problematic for her job.

Mrs R said at the end of her agreement when the car was being inspected for collection a dent was identified on the bumper along with a misalignment of it. Mrs R says she's being charged for a problem that was present when the car was supplied to her.

In October 2023, MHC issued their final response to Mrs R's complaint. They didn't uphold the complaint. MHC explained that the damage identified on collection had exceeded the acceptable limits, so it was fair that the charges were being applied. However, MHC confirmed that £150 goodwill gesture had been applied to the outstanding charges leaving Mrs R a total of £135 to pay.

Unhappy with their decision, Mrs R brought her complaint to our service for investigation.

One of our investigators recommended that Mrs R's complaint should not be upheld. They explained that the damage was beyond fair wear and tear and that they believed Mrs R had the opportunity to raise the issues prior to the car being collected.

Mrs R didn't accept the investigator's view. She said she felt the charges were unfair and that it was unreasonable to expect her to have caused the dents to the bumper. However, as the investigator's view remained unchanged, Mrs R asked that her complaint be referred to an ombudsman for a final decision.

What I've decided and why

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In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs R complains about a hire agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs R's complaint about MHC.

Fair wear and tear guidelines have been issued by the British Vehicle Lease and Rental Association (BVRLA), and these are accepted as an industry standard in determining whether any damage goes beyond fair wear and tear on passenger cars, when they are returned to a BVRLA member at the end of a finance agreement.

In their business file MHC provided a copy of the vehicle inspection report which was carried out on 26 September 2023. The inspection report confirmed the following damages that fell beyond fair wear and tear, and its related charge:

- C post R minor paint damage - £60
- Rear bumper dent - £175
- Rear bumper misaligned - £50

Although the damage isn't disputed by either party, I've reviewed the inspection report against the guidelines issued by the BVRLA and consider the damage to be in excess of the fair wear and tear measures. So, I'm satisfied that they've been correctly recorded.

Under the terms of the hire agreement entered into by Mrs R, titled '*your obligations concerning the vehicle*' it says:

You agree to inspect the vehicle on delivery and promptly notify us if: (a) the vehicle does not correspond to the vehicle specified in this agreement; or (b) the vehicle is defective in anyway.

It also says:

You will be responsible to us for any damage caused or deterioration of the vehicle otherwise through fair wear and tear as indicated in the guidelines issued from time to time by the BVRLA

The BVRLA also advises customers to have an appraisal of the vehicle carried out prior to returning it to allow for any damage to be repaired if necessary. So, in consideration of the guidance available to Mrs R, I think it was reasonable that she would have had the opportunity to make herself aware of the returns process, and of her obligations under the contract in relation to this.

In her complaint form Mrs R said that she had to bring her car into the garage on occasions for electrical problems. I think it's reasonable to say Mrs R could have used those opportunities to report the issue she was having with the rear bumper. It's likely this would

have minimised any further hassle for Mrs R and allowed the problem to be resolved before the contract came to an end.

In addition to this MHC provided us with correspondence they sent to Mrs R, prior to the collection of it, which gave her the opportunity to carry out a self-appraisal of the car at no cost to her. I think this was a further opportunity for Mrs R to address the issue with the bumper.

As Mrs R didn't report the issues with the bumper, I've seen no evidence that it was present when the car was supplied to her. However, I have seen that Mrs R was presented with opportunities throughout her contract to highlight any problems she was having with it.

So, all things considered I'm satisfied that MHC were acting fairly by applying the end of contract damage charges. In the circumstances I also think it's fair that Mrs R is expected to pay for them.

I acknowledge what Mrs R has said in response to the investigator's view, that the car was supplied in that condition. I recognise it might feel unfair to Mrs R to be charged for the damage to the bumper, however, without the evidence to show the issue was present when the agreement was entered into, in the circumstances, it wouldn't be reasonable to expect MHC to absorb those charges.

As I've concluded that the end of contract charges have been fairly applied, I don't require MHC to take any action in respect of this complaint.

My final decision

Having thought about everything above along with what is fair and reasonable in the circumstances I don't uphold Mrs R's complaint about Mitsubishi HC Capital UK Plc trading as Novuna Vehicle Solutions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 6 February 2024.

Benjamin John
Ombudsman