

The complaint

Mr J is unhappy with charges for damage to a car, that he was invoiced for at the end of a hire agreement provided by Mitsubishi HC Capital UK Plc trading as Novuna Vehicle Solutions ('Novuna').

What happened

In April 2018 Mr J acquired a car using a hire agreement. The agreement was initially taken over 48 months.

In January 2023 the car was returned and an inspection took place. This inspection noted the following damage and charges, which Mr J was later invoiced for:

Area	Charge
<i>Front alloy right – corrosion/rust</i>	<i>£65</i>
<i>Locking wheel nut - missing</i>	<i>£47.12</i>
<i>Front alloy left – scuffed/spoke damage</i>	<i>£65</i>
<i>Front door left - dent</i>	<i>£60</i>
<i>Sill panel left – scratched through paint</i>	<i>£75</i>
<i>C post left - scratched</i>	<i>£75</i>
<i>Sill panel right – scratched through paint</i>	<i>£75</i>

Mr J was unhappy with the charges and complained to Novuna.

Novuna issued its final response in March 2023. This said, in summary, that the charge for the missing locking wheel nut was being removed as this item had been returned to the car.

But, it said the damage Mr J had been charged for all fell outside of fair wear and tear guidelines set out by the British Vehicle Rental and Leasing Association ('BVRLA'). So, it said these charges were still due. It said Mr J owed £415.

Mr J referred the complaint to our service. He said, in summary, that he accepted the charges for the wheels. But, he said it wasn't reasonable to charge for the other damage. He said scratches to the car were "*miniscule*" and could only be seen at extremely close range. He said any potential buyer would be unlikely to see the scratches. And he said due to the value of used cars going up, Novuna wouldn't lose out when the car was sold.

Our investigator issued an opinion and explained she didn't think the complaint should be upheld. In summary, she said all the disputed damage fell outside of the BVRLA guidelines. And she said what Mr J said about the value of the car didn't change her opinion.

Mr J disagreed. He said the scratches would have no adverse effect on the value of the car. And he said Novuna should provide clear evidence they had the damage repaired.

Our investigator explained Novuna didn't need to have the damage repaired to charge Mr J for it. And she said she still thought the charges were reasonable.

Mr J remained unhappy, so the case has been passed 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

Mr J complains about charges in relation to a hire agreement. Entering into regulated consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr J's complaint against Novuna.

I've firstly considered if Novuna could charge Mr J for damage to the car. Looking at the terms and conditions of the hire agreement Mr J signed, these explained:

"You will be responsible to us for any damage caused to or deterioration of the Vehicle otherwise than through fair wear and tear as indicated in the guidelines issued from time to time by the British Vehicle Rental and Leasing Association (BVRLA)"

Thinking about this, I'm satisfied Mr J agreed to Novuna charging him for damage that falls outside of the BVRLA's guidelines.

So, what I need to consider in this case is whether the car had damage when it was returned that fell outside of what the BVRLA considers fair wear and tear.

As Mr J confirmed to both Novuna and our service that he accepts the damage to the wheels and associated charges, I don't need to consider these further. I'll think about the other areas in turn.

Sill panels and C post

In relation to scratches, the BVRLA states:

"Surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out."

Looking at the photos from the inspection, I can see scratches to both sills that have gone through the paintwork. I appreciate Mr J's frustration here and acknowledge the scratches are reasonably short in length. But, the guidance above is quite clear and I'm satisfied this damage falls outside of fair wear and tear.

The photo of the C post shows several larger, obvious scratches that have very clearly gone through the paint. So, this also falls outside of fair wear and tear.

In general terms, I also disagree with how Mr J has described this damage. I don't agree this could only be seen 'under a microscope' or if eyes were extremely close to the car. And, given these are painted panels, the fact the damage couldn't be seen with the doors closed doesn't mean the guidance shouldn't apply.

Front door dent

In relation to dents, the BVRLA guidance states:

“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.”

Looking at the relevant photos here, I accept the dent is likely smaller than 15mm. But, I'm satisfied it has quite clearly broken the paint surface. So, it follows I'm satisfied this also falls outside of fair wear and tear.

Summary

In summary, I'm satisfied Novuna were entitled to charge Mr J for any damage outside of the BVRLA's guidelines. And I'm satisfied all of the disputed damage did fall outside of this guidance.

I've thought about everything else Mr J said in relation to the complaint. This includes his point that he believes Novuna might not have got the car repaired. But, as our investigator explained, it didn't need to do this in order to charge Mr J.

I've also considered that Mr J said the car may be worth more than Novuna expected when he handed it back. But, I've seen no evidence of this. And, even if I accepted this was the case, there were no terms that would allow damages to be offset against any increase in value. So, these points don't change my opinion.

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 Mr J to accept or reject my decision before 24 October 2023.

John Bower
Ombudsman