

## The complaint

Mr G complains about the charges Mitsubishi HC Capital UK Plc (t/a Novuna Vehicle Solutions) ("NVS") applied when he returned a car at the end of his hire agreement.

## What happened

Mr G entered into a 3-year hire agreement with NVS. He says he doesn't accept the damage charges that NVS applied when he returned the car because it was in immaculate condition. Mr G told us:

- at the end of the three-year lease, he took the car to a valeting company to have it cleaned before returning the car to NVS in immaculate condition;
- NVS is seeking payment from him for things that he considers to be fair wear and tear;
- the minor scratches could have been repaired using a well-known product;
- the charges total £575.

NVS rejected Mr G's complaint. It said under the terms of Mr G's agreement, he needed to return the vehicle with no damage outside of fair wear and tear. And it explained that it had reviewed the photographs and the report provided by its collection agent, and it was satisfied that the identified damage was clearly evidenced and was outside fair wear and tear.

It explained that the third-party collection agent had inspected the car against the industry standards set out in the British Vehicle Renting and Leasing Association (BVRLA) guidelines and identified issues in a number of areas:

1. Front alloy wheel R – corrosion/rust	£65.00
2. Front alloy L – rim damage	£65.00
3. Front bumper – scuffed	£75.00
4. Rear bumper – scratched	£175.00
5. B Post L – dent	£60.00
6. B Post R – dent	£60.00
7. Front door R – scratched	£75.00

It said the charges had been levied correctly, and Mr G owed it £575.00 in respect of end of contract damages.

Our investigator looked at this complaint and said she didn't think it should be upheld. She explained that the standard for what constitutes fair wear and tear is set out in the British Vehicle Renting Leasing Association (BVRLA) guidelines and her role was to decide whether the charges applied by NVS were fair and reasonable.

She explained she'd reviewed the evidence from the inspection and was satisfied that there was sufficient evidence to show that the damage identified exceeded BVRLA fair wear and tear guidance, and that the charges had been applied fairly.

Mr G disagrees, so the complaint comes to me to decide. He says the third-party

photographs exaggerate the condition of the car and they don't really do justice to the inspection. He says there was really very little damage, and what there was, could've been more easily remedied. And he asked that I inspect the car in person.

### **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've reached the same conclusion as our investigator and for broadly the same reasons. I'll explain why.

The terms and conditions of the agreement say that Mr G must *"keep the vehicle in good condition and repair"*. It goes on to say, *"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)"*.

So, I'm satisfied that Mr G was responsible for returning the car in good condition, and that the car's condition would be assessed against the guidelines issued by BVRLA. But the question is whether all the charges applied by NVS are fair and reasonable.

Fair wear and tear guidelines have been issued by the British Vehicle Rental and Leasing Association (BVRLA) and these are accepted as an industry standard in determining whether any damage goes beyond fair wear and tear. So, I have taken these into account when deciding what is fair and reasonable for NVS to charge Mr G.

NVS claims there are seven areas of damage that it deems to be outside fair wear and tear:

1. Front alloy wheel R – corrosion/rust	£65.00
2. Front alloy L – rim damage	£65.00
3. Front bumper – scuffed	£75.00
4. Rear bumper – scratched	£175.00
5. B Post L – dent	£60.00
6. B Post R – dent	£60.00
7. Front door R – scratched	£75.00

### *Alloys*

The BVRLA standard says *"Scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels are acceptable. Any damage to the wheel spokes, wheel fascia, or hub of the alloy wheel is not acceptable. There should be no rust or corrosion on the alloy wheels."*

I've looked carefully at the two photographs provided by NVS and the damage identified by the third-party collection agent is as described. There's corrosion evident on the front right alloy, and the front left alloy has rim damage that exceeds the standard. So, I'm satisfied that the charges NVS asked Mr G to pay in respect of the alloys were applied fairly and in line with relevant industry guidance.

### *Front and rear bumper*

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

I've looked very carefully at the evidence that NVS provided, and I'm satisfied that the damage highlighted by it is indeed present; put simply, there's scratches on both bumpers in excess of 25mm. So, I think the charges in respect of the front and rear bumpers have been applied fairly and in accordance with the industry guidelines.

#### *B Post L and R*

The BVRLA guidance says 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"*.

NVS' third-party inspection agent provided photographs of both left and right posts, and I can see they used the industry recognised approach – zebra boards – to highlight areas of damage. Where there's no damage, the zebra boards reflect straight, solid and parallel lines. But in this case, there's evidence of damage; the lines are no longer parallel highlighting where the where dents are present.

In these photographs, it's clear that the size and number of dents exceeds the BVRLA standards, and so I'm satisfied that these two charges were applied fairly and reasonably.

#### *Front door R*

The BVRLA guidance says that *"Scratches of 25mm or less...are acceptable"*. But the photograph provided by NVS shows several scratches present, all significantly larger than 25mm. Again, I'm satisfied that it's fair for NVS to levy a charge for this damage, and the charge of £75 is reasonable.

I've considered what Mr G says about the viability of scratches being repaired by a well-known high street product. I think his inference is that this would've been cheaper. But it's not for this Service to tell NVS how to go about making repairs in a situation like this, indeed NVS doesn't *have* to make any repairs at all. The charges that NVS makes covers the cost of the repairs or, alternatively, they compensate it for any loss in value that it might suffer due to the damage on the car.

Moreover, the BVRLA guidelines say that Mr G could've arranged to *"repair areas of damage...before the vehicle is returned, ensuring that any work is carried out to a professional standard by a repairer who can provide a transferable warranty for the work"*. So, I think that Mr G had ample opportunity to familiarise himself with the fair wear and tear expectations and this provided him with the opportunity to have any repairs carried out prior to any inspection.

Finally, Mr G suggested that I should consider undertaking an independent inspection of the car myself. But I have to tell him that this isn't how this Service works. We operate a two-stage case handling process. The first stage is for an investigator to try and resolve the case informally. They review and interpret all the information available to them, and then when they feel ready, they issue their opinion of the case based upon what they consider to be fair and reasonable in the circumstances. That opinion is a matter for the investigator's own personal judgement, it's based on the information provided by both parties, and it must be based upon their own impartial view.

I've based my decision on all the available evidence and arguments put to me by both parties to decide a fair and reasonable way to resolve this complaint. The informal nature of our service means that I'll focus on what I consider to be the crux of an issue. Our rules allow me to do that, so I might not undertake every line of enquiry Mr G might wish me to. But it's my role to exercise my independent judgment to reach a decision that I think is fair and reasonable - and explain why. And that's what I've done in tis case.

I recognise that Mr G will be disappointed with my decision, but I hope he understands how I've reached the conclusions that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 25 August 2023.

Andrew Macnamara  
**Ombudsman**