

The complaint

Mr W has complained about damage charges applied by Mitsubishi HC Capital UK Plc (MHCC) under a hire agreement.

What happened

Mr W acquired a new car under a hire agreement with MHCC in September 2018 and handed the car back in April 2023. The mileage on hand back was around 41,000. Mr W is unhappy MHCC have charged him £190 for damage it deemed outside of fair wear and tear.

The damage charged is in relation to a dent on the left quarter panel (£60); a damaged left rear alloy wheel (£65); and a damaged right rear alloy wheel (£65).

After MHCC sent Mr W the appraisal, he said he'd obtained a second opinion and believed his liability should be £60. He said he thought the left-hand alloy wheel showed signs of corrosion as opposed to scuff damage. He says this was wear and tear. He says there appears to be scuff damage on the spoke of the right-hand rear wheel, and he accepted liability. But he says the inspector should have photographed two scuffs independently and not as one photo. Mr W also says the dent on the panel doesn't appear to be on the swage line and it's less than 20mm in length. So he didn't think this should be chargeable as it was fair wear and tear. Mr W also mentioned he thought some of the damage should have been covered under manufacturer warranty.

MHCC sent a final response to Mr W's complaint saying its assessment of damage was linked to the British Vehicle Rental and Leasing Association (BVRLA) standards. It said the inspector was trained in those standards and that it thought all areas of damage were fairly chargeable. Mr W disagreed and referred his complaint to our service.

One of our investigators looked into things and didn't make any recommendations. He focussed on the two areas of damage Mr W was disputing. He thought the left-hand alloy wheel was damaged outside of fair wear and tear, and that the charge was reasonable. He said the photos of the damage on the quarter panel weren't particularly clear, but said he thought he could see a scratch that penetrated the surface of the paint. So he thought the charge was fair.

Mr W didn't agree. He said he had the car longer than the original rental term so further scope for wear and tear should be allowed. He said the investigator's knowledge of rust or corrosion on alloy wheels was limited. He said rust starts with pitted holes exactly as indicated on the supplied photos. He also said taking photos of mirrors showing reflections doesn't truly show the image correctly.

As things couldn't be resolved, the complaint has been passed to me to make a 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.

Mr W acquired the car using a regulated consumer hire agreement, and our service is able to consider complaints relating to these sorts of agreements.

The car was new when it was supplied to Mr W, so I think it's reasonable to assume it was supplied free from even minor defects. Therefore, any damage that was on the car when it was returned would've likely happened during the time it was with Mr W.

Like our investigator pointed out, I'm satisfied the hire agreement sets out Mr W was required to keep the vehicle in good condition and repair. And that he'd be responsible for any damage caused or deterioration of the car otherwise than through fair wear and tear. And it set out it would use the BVRLA guidelines. So I'm satisfied MHCC can charge Mr W for damage that fell outside of fair wear and tear.

The BVRLA guidance says any damage to the wheel spokes, wheel fascia, or hub of the wheel/alloy isn't acceptable. It says there must be no rust or corrosion on the alloy wheels/wheel hub. I can see damage on the spokes of the alloy. Whether that's rust or corrosion or some sort of scuff or impact damage I'm not sure. But I think either way, the damage falls outside of the fair wear and tear guidance. And I find a £65 charge to be fair in the circumstances.

For completeness, while not disputed, I think the right-hand alloy also had a small scuff on the spoke of the alloy. I think this falls outside of fair wear and tear and I think the £65 charge is reasonable.

I've also looked at the pictures of the damage to the quarter panel. The BVRLA guidelines say dents on the swage line of any panel are not acceptable. And it also says scratches aren't acceptable if they can't be polished out and primer or bare metal is showing. I agree the photos could be better, but one of the photos at least shows what looks to be a dent on or near the swage line above the wheel arch. Even if that's wrong, like our investigator pointed out it looks like there's a scratch on the same panel that, on balance, doesn't look like it can be polished out. So I think there's damage outside of fair wear and tear on the panel, and I find the £60 charge to be reasonable.

Finally, I will point out that I'm sorry Mr W will be disappointed with the decision. It's clear that, on the whole, he's looked after the car. I appreciate he had the car longer than the original rental period, but it was still handed back after the first leasing cycle and when it was under five years old. So I think the BVRLA guidelines are fair to use. It's also worth pointing out that I'm required to resolve complaints quickly and with minimum formality. I've reviewed the evidence on file, and I think there's enough there for me to decide the complaint. For the reasons given above, I'm not making any recommendations.

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 W to accept or reject my decision before 19 October 2023.

Simon Wingfield
Ombudsman