

The complaint

Mrs G complains about the charges Hyundai Capital UK Limited (“HCUK”) applied when she returned a car after the end of her hire agreement.

Mrs G is represented in her complaint. For ease of reading, any reference to “Mrs G” refers to the testimony of both Mrs G and her representative.

What happened

Mrs G entered into a three-year hire agreement in March 2019. HCUK invoiced her for damage to the car when she returned it, but Mrs G says the charges are unfair, and the fact she didn’t utilise all of the mileage allowance – she drove fewer miles than she was permitted – should be taken into account.

Mrs G also complained that when she first acquired the car, there was a delay in its delivery of between six and eight weeks. And she says she was inconvenienced when she couldn’t use the car for a couple of days because a spare part needed ordering and fitting.

HCUK rejected Mrs G’s complaint about the end of contract charges. It said under the terms of her agreement, Mrs G needed to return the vehicle with no damage outside of fair wear and tear. And it explained that the car would be inspected and assessed against the “BVRLA Wear and Tear guidelines”.

HCUK said a 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, the following of which were chargeable:

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| 1. Front bumper – scratched | £95.00 |
| 2. Front bumper spoiler – scuffed | £100.00 |
| 3. Rear bumper – scratched | £150.00 |
| 4. Quarter panel L – scratched | £100.00 |
| 5. C post L – scratched | £100.00 |
| 6. Rear door L – scratched | £100.00 |
| 7. Rear door right – dent | £225.00 |
| 8. Rear door moulding RR – scuffed | £50.00 |
| 9. Rear door trim panel L – cut | £60.00 |
| 10. Carpet – holed | £557.03 |
| 11. Front door mirror L – water ingress | £80.41 |
| 12. Rear alloy wheel L – gouged | £65.00 |
| 13. Front alloy wheel L – gouged | £65.00 |

Our investigator looked at this complaint and said she didn’t think it should be upheld. She explained that this Service would only be looking at Mrs G’s complaint about HCUK and whether the charges it applied were fair.

She said she wouldn't be looking at Mrs G's complaint about the delay in the delivery of the car because this was down to the manufacturer, so Mrs G would need to raise a complaint with it or the dealership.

Our investigator 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 HCUK were fair and reasonable. She said she'd reviewed the evidence from the inspection and was satisfied that it was sufficient to show that the damages identified exceed BVRLA fair wear and tear guidance, and that the charges had been applied fairly – it simply wouldn't be fair or reasonable to ask HCUK to do anything else.

She also considered whether HCUK had acted fairly when Mrs G was without use of the car for two days whilst a spare part was ordered and fitted. She explained that she'd seen nothing in the hire agreement that indicated HCUK would provide a courtesy car in these circumstances, and she noted that it had extended Mrs G's car hire at the end of the agreement by nearly four weeks at no extra charge. Taking all this into account, she said HCUK's actions were fair, and it didn't need to do anything more.

Mrs G disagrees, so the complaint comes to me to decide. She says the report is flawed; HCUK should've spotted the issue with the mirror; the marks on the car's bodywork can't be her fault; and the issue with the carpet can only be fair wear and tear.

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.

I hope that Mrs G won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of her complaint. Our rules allow me to do that. Mrs G should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

Having considered all the evidence and testimony from both Mrs G and HCUK afresh, 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 signed by Mrs G say, *"The vehicle will be deemed to be in good condition for the purposes of this agreement if it is undamaged and has no abnormal wear and tear as defined in the return conditions"*. Page 13 of the agreement – *Return Conditions Schedule* – provides additional detail on what is acceptable and what is unacceptable, covering everything from stains, burns, and tears, to the battery, the catalytic converter, and the tyres. So, I'm satisfied that Mrs G was responsible for returning the car in good condition and ought reasonably to have been aware of this.

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

HCUK claims there are 13 areas of damage that it deems to be outside fair wear and tear:

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|-----------------------------------|---------|
| 1. Front bumper – scratched | £95.00 |
| 2. Front bumper spoiler – scuffed | £100.00 |

| | |
|---|---------|
| 3. Rear bumper – scratched | £150.00 |
| 4. Quarter panel L – scratched | £100.00 |
| 5. C post L – scratched | £100.00 |
| 6. Rear door L – scratched | £100.00 |
| 7. Rear door right – dent | £225.00 |
| 8. Rear door moulding R – scuffed | £50.00 |
| 9. Rear door trim panel L – cut | £60.00 |
| 10. Carpet – holed | £557.03 |
| 11. Front door mirror L – water ingress | £80.41 |
| 12. Rear alloy wheel L – gouged | £65.00 |
| 13. Front alloy wheel L – gouged | £65.00 |

I haven't seen any submissions from Mrs G to say that she disputes the damage is present, only that she shouldn't have to pay for it. But nonetheless, I've first considered whether I've seen sufficient evidence of the damage.

Paintwork, vehicle body, bumpers and trim (items 1-8 above)

HCUK's schedule says scratches that penetrate the primer coat aren't acceptable. The BVRLA guidance says, "*Surface scuffs or scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided, they can be polished out*". It goes on to say, "*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*"

I've looked carefully at all eight photographs provided by HCUK, and I'm satisfied that the scuffing and scratches and dents on each exceeds the allowed level. Accordingly, I'm satisfied these eight charges are fair.

Passenger area, seats, headrests and trim (items 9 and 10)

HCUK's schedule says that any cuts aren't acceptable. It goes on to say that torn fabric that can't be easily sewn is unacceptable. The BVRLA guidance says, "*The interior upholstery and trim must be clean and odourless with no burns, scratches, tears, dents or staining*". And in respect of carpets, it's quite clear – it says, "*carpets should not have holes*".

HCUK has supplied 2 clear photograph of the rear door trim panel and the carpet, and the damage – a cut in the panel, and a hole in the carpet – is clearly visible, so I'm satisfied that these charges are fair.

I understand the point that Mrs G makes about the cause of the hole in the carpet, but my role is to determine whether HCUK has applied the charge in accordance with the industry guidelines. The BVRLA standards in respect of car carpets are quite explicit and there's no exclusions listed or detailed. So, I'm satisfied that the charge HCUK asked Mrs G to pay in respect of the carpet was applied fairly and in line with relevant industry guidance.

Door mirrors (item 11)

HCUK's schedule says that any broken part isn't acceptable, and the BVRLA guidance says, "*Missing, cracked or damaged door mirror glass and housing units are not acceptable*". HCUK has supplied a clear photo of the front left door mirror. It's clear that there's water ingress within the housing, something that's, *more likely than not*, a result of a crack elsewhere in the unit. Accordingly, I'm satisfied that this charge is fair.

Wheels (items 12 and 13)

Although HCUK's schedule is silent on the subject of wheels and alloys, the BVRLA guidance 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 facia or hub of the wheel alloy is not acceptable."*

I've been supplied with a photograph of both the wheels in question, and significant damage to the spokes and fascia on wheels is clearly visible. I'm therefore satisfied that both these charges are fair.

Taking into account all the evidence and testimony from both parties, I'm satisfied that HCUK can fairly levy these 13 charges.

Finally, I've considered if there's any other reason it wouldn't be fair for HCUK to ask Mrs G to pay these charges. I've considered carefully what Mrs G said about not utilising her permitted mileage allowance in full.

I understand that the car was returned with a lower-than-expected mileage. But I've seen nothing in the agreement terms and conditions that would allow for Mrs G to receive a discount for utilising less than the maximum permitted mileage. So, I wouldn't expect HCUK to offer Mrs G any rebate for this.

I know Mrs G will be disappointed with the outcome of her complaint, but I hope she understands why 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 Mrs G to accept or reject my decision before 2 November 2023.

Andrew Macnamara
Ombudsman