

## The complaint

Mr M 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.

Mr M is represented in his complaint. For ease of reading, any reference to Mr M refers to the testimony of both Mr M and his representative.

## What happened

Mr M entered into a four-year hire agreement in March 2019. NVS invoiced him for damage to the car when he returned it, but Mr M says the charges are unfair and disproportionate, and the fact he didn't utilise all of the mileage allowance – he drove fewer miles than he was permitted – should be taken into account. Mr M told us:

- at the end of his hire agreement, the vehicle was inspected, and he received a large invoice - £978.17 – it was excessive and inaccurate;
- a lot of the damage charges are very subjective and open to interpretation;
- the car was returned in good order with way less than the allocated mileage and would be worth more as a result, yet NVS is still trying to extract more money for unnecessary repairs – the damage is in most cases undetectable to the untrained eye.

NVS rejected Mr M's complaint. It said under the terms of Mr M'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 centre cap L – corrosion/rust	£20.26
2. Front alloy centre cap R – corrosion/rust	£20.26
3. Rear alloy centre cap L – corrosion/rust	£20.26
4. Rear alloy centre cap R – corrosion/rust	£20.26
5. Front alloy wheel L – rim damage	£65.00
6. Front wing L – rippled paint finish	£140.00
7. Front wing R – rippled paint finish	£140.00
8. Front bumper – rippled paint finish	£175.00
9. Rear door R – scratched	£75.00
10. Front door R – dents	£60.00
11. Quarter panel R – dents	£60.00
12. Headlamp R – scuffed/scratched	£182.13

NVS said two charges in respect of broken fog lamps had been reviewed and removed from Mr M's invoice. It said it accepted that they weren't broken, just misaligned, and as a result, were not chargeable.

Mr M disagreed and brought his complaint to this Service. He indicated that he accepted the charges for the scuffed front alloy (5) and the dented quarter panel (11). But remained unhappy with the remaining charges.

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

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

Mr M disagrees, so the complaint comes 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'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 M 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 M 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 M

NVS claims there are 12 areas of damage that it deems to be outside fair wear and tear:

1. Front alloy centre cap L – corrosion/rust	£20.26
2. Front alloy centre cap R – corrosion/rust	£20.26
3. Rear alloy centre cap L – corrosion/rust	£20.26
4. Rear alloy centre cap R – corrosion/rust	£20.26
5. Front alloy wheel L – rim damage	£65.00
6. Front wing L – rippled paint finish	£140.00
7. Front wing R – rippled paint finish	£140.00
8. Front bumper – rippled paint finish	£175.00
9. Rear door R – scratched	£75.00
10. Front door R – dents	£60.00
11. Quarter panel R – dents	£60.00
12. Headlamp R – scuffed/scratched	£182.13

I don't need to make a finding in respect of items (5) and (11). This is because Mr M annotated NVS' final response to indicate he accepted these two charges. As a result, my findings relate to the remaining disputed charges.

#### *Alloy centre caps*

The BVRLA standard says *"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 four photographs provided by NVS and the damage identified by the third-party collection agent is as described. There's damage evident on each of the four centre caps, and this exceeds the standard. So, I'm satisfied that the charges NVS asked Mr M to pay in respect of the alloys were applied fairly and in line with relevant industry guidance.

#### *Front wing (L) and (R) and front bumper*

The BVRLA guidance says that customers can arrange *"to repair areas of damage and replace missing equipment and accessories before the vehicle is returned, ensuring that any work carried out is done to a professional standard by a repairer who can provide a transferable warranty for the work"*.

In respect of bumpers, paintwork and bodywork, the standard goes on to say that *"evidence of poor repair, such as flaking paint, preparation marks, paint contamination, rippled finish or poorly matched paint, is not acceptable"*.

NVS says there are preparation marks in the paintwork on the front wing (L) and the paintwork on the front wing (R) and front bumper has been left with a rippled finish. Mr M disagrees and says this is subjective – the paint finishes are in line with the original and can only be detected using specialist assessment tools.

I understand what Mr M means when he says that the ripples and marks can only be detected using specialist tools; the inference being that they're not easily visible to the naked eye. But I have to tell Mr M that that is not the test.

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, the paintwork in these three areas appears marked and rippled.

NVS' third-party inspection agent provided photographs of the areas concerned, and I can see they used the industry's recognised approach – zebra boards – to highlight areas of damage. Where there's no damage, the zebra board reflects straight, solid and parallel lines. But in this case, there's evidence of damage; the lines are no longer parallel highlighting where the ripples and marks are present. And, in the absence of a transferrable warranty for the work undertaken, it's not unfair for NVS to charge Mr M if the quality of the paintwork is deemed to be substandard, and therefore damaged.

So, I think the charges in respect of the front bumper and both wings have been applied fairly and in accordance with the industry guidelines.

#### *Rear door (R) and Front door (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"*. And it goes on to

say that *“Scratches of 25mm or less where the primer or bare metal is not showing are acceptable”*

Again, NVS’ third-party inspection agent provided photographs of both front and rear doors. I’ve examined the photographs carefully and I’m satisfied that the scratch in the rear door, although small, penetrates through to the primer underneath. And the damage to the front door exceeds the acceptable level. So, I’m satisfied that the charges in respect of the rear door and front door have been applied fairly and in accordance with the industry guidelines.

### *Headlamp*

The BVRLA guidance says that *“...scuff marks or scratches of 25mm or less are acceptable. Holes or cracks in the glass or plastic covers of lamp units are not acceptable...”*. But the photograph provided by NVS shows several scratches present, one of which is larger than 25mm. Again, I’m satisfied that it’s fair for NVS to levy a charge for this damage.

I’ve considered what Mr M says about seeking assurances that the repairs were all carried out by NVS and at the cost detailed in his invoice. 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 M 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 M 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.

Given all of the above, I’m satisfied that the charges NVS asked Mr M to pay were applied fairly and in line with relevant industry guidance.

Finally, I’ve considered if there’s any other reason it wouldn’t be fair for NVS to ask Mr M to pay these charges. I’ve considered carefully what Mr M said about not utilising his 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 Mr M to receive a discount for utilising less than the maximum permitted mileage. So, I wouldn’t expect NVS to offer Mr M any rebate for this.

I know Mr M will be disappointed with the outcome of his complaint, but I hope he 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 Mr M to accept or reject my decision before 19 February 2024.

Andrew Macnamara  
**Ombudsman**