

The complaint

Mr K 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 K entered into a hire agreement in August 2020 for a term of 36 months. The vehicle was supplied in September 2020. At the end of the agreement Mr K handed the car back. The vehicle was inspected and collected by a third party acting on NVS’s behalf. That inspection report identified a number of areas of damage and a missing charge lead. Mr K was charged £1,435.09 in relation to the damage and missing lead.

Mr K didn’t agree that a charge lead was missing, or that one area of damage to the driver’s footwell carpet, were fair. He complained to NVS.

NVS reviewed those two charges. It established that the vehicle had only been supplied with one charging lead and so it removed that charge and applied a £150 credit to Mr K’s bill. It didn’t agree to remove the charge for the damaged carpet.

Mr K brought his complaint to this service. The only charge now in dispute is the damage to the carpet. Our investigator reviewed Mr K’s complaint and the information provided by NVS. Our investigator concluded that the charge had been fairly applied and did not uphold Mr K’s complaint.

Mr K disagreed with this assessment and so his case has been passed to an ombudsman 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.

In considering what’s fair and reasonable I’ve had regard to the relevant law and regulations, regulators’ rule, guidance and standards, codes of practice and what I consider to have been good industry practice.

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 K must *“keep the vehicle in good condition and repair”*. It goes on to say, *“You’ll 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 K was responsible for returning the car in good condition, but the question is whether the charge for the carpet applied by NVS is fair and reasonable.

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 taken these into account when deciding what is fair and reasonable for NVS to charge Mr K.

NVS has charged Mr K £557.03 in relation to the damage to the carpet.

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 the vehicle's interior, the standards go on to say that *"The interior upholstery and trim must be clean and odourless with no burns, scratches, tears, dents or staining. Carpets should not have holes."*

Mr K doesn't dispute the damage to the carpet, but he submits that the hole identified is where the driver's heel would rest when using the pedals and that it should constitute fair wear and tear.

I am satisfied that having reviewed the photograph of the damage that there is a large hole exceeding 50mm wide. I don't think NVS acted unreasonably or unfairly in imposing the charge as the BVRLA guidance clearly states this is not fair wear and tear. Mr K said that floor mats weren't supplied with the vehicle and this would have prevented the damage, but I agree with our investigator that this doesn't mean the terms in the agreement relating to damage don't apply. It remained Mr K's responsibility to keep the carpet in good condition.

Given all of the above, I'm satisfied that the charge NVS asked Mr K to pay was applied fairly and in line with relevant industry guidance and that NVS has acted fairly in respect of the charge it applied.

My final decision

My final decision is that I do not uphold this complaint, which means I do not direct Mitsubishi HC Capital UK Plc, trading as Novuna Vehicle Solutions, to do anything further..

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 June 2024.

Sally Allbeury
Ombudsman