

The complaint

Miss A complains about the charges LeasePlan UK Limited (“LeasePlan”) applied when she returned a car after she terminated a lease agreement.

What happened

Miss A entered into a lease agreement in August 2019. The agreement ended in August 2023 and Miss A returned the car. She says she’s unhappy with the end of contract charges that were applied when she returned the car. In summary, Miss A told us:

- The car was first inspected at her house. She had a dispute with the inspection and collection agent because of communication issues with LeasePlan, and it was a personally difficult day for her. She remained in the house while the inspection was carried out;
- She had recently replaced panels on the car and so considered it highly unlikely she had so many scratches on the car. She *‘does not doubt the agent made some of the scratches up.’*
- Any scratches on the car were reflective of fair wear and tear on a four year old vehicle.
- some time later, LeasePlan sent her an invoice for vehicle damage totalling £1,260, and after she complained about this, the invoice was reduced to £720;
- she’s being unfairly billed for vehicle damage that simply wasn’t present when the car left her house.

Miss A complained to LeasePlan. LeasePlan said it had inspected Miss A’s vehicle in line with fair wear and tear guidelines recommended by the British Vehicle Rental Leasing Association (BVRLA) and that this was in line with the terms and conditions of her lease agreement. The BVRLA is the UK trade body for vehicle rental and leasing companies and is the industry standard for such matters.

Once LeasePlan reviewed the report and the photographic evidence it reduced the charges, first to £950 and then to £720. LeasePlan rejected Miss A’s complaint about the other charges.

Miss A disagreed and brought her complaint to this Service.

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 LeasePlan were fair and reasonable.

He said he’d looked at the evidence submitted by LeasePlan to support its position and he thought the damage was visible and outside the fair wear and tear guidance and, as a result, was chargeable.

Miss A disagrees, so the complaint comes to me to decide. She says she's being unfairly charged; she disputes all of the remaining charges and, in particular, disputes that white marks on the doors were scratches. She says they were chalk (or a similar substance) which had been drawn up from inside the door panels where they had been repaired.

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.

The terms and conditions of the agreement, signed by Miss A, sets out that the vehicle must be returned in *'good and substantial repair (fair wear and tear excepted, having regard only to its age and mileage). A Vehicle Collection Report will be completed and you will be required to agree any apparent damage and sign the Vehicle Collection Report. A detailed inspection will take place prior to our selling the Vehicle.'*

I note that Miss A did not agree with the reported condition of the car, and she did not sign the vehicle collection report. Miss A explains that following a disagreement with the collection and inspection agent she was told to go and that he would complete the inspection without her present.

The contract goes on to explain that the customer will have to pay the costs of either repairing or refurbishing the vehicle, or the value of those repairs or refurbishment even if LeasePlan decides not to conduct the same. I've read this carefully, and I'm satisfied that Miss A was responsible for returning the car in good condition, but the question is whether all the charges applied by LeasePlan are fair and reasonable.

LeasePlan's inspection identified seven areas of damage that it deemed to be unacceptable - outside fair wear and tear. LeasePlan also chose not to charge for a number of items of damage.

Following two further reviews of the evidence (one of which was after Miss A brought her complaint to this service) LeasePlan reduced or removed several of the charges. The final list of charges are as follows:

1. Qtr panel LHR, unsatisfactory repair	£175
2. Door LHR scratch	£40
3. Door RHR scratch	£40
4. Wing LHF scratch	£155
5. Front bumper scratch	£155
6. Rear bumper scratch	£155

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've also taken these into account alongside LeasePlan's contract when deciding what is fair and reasonable for LeasePlan to charge Miss A.

The BVRLA guidance sets out the standard regarding fair wear and tear. I've looked carefully at what it says in regard to the areas identified by LeasePlan. It says:

- *“There must be no rust, corrosion or discolouration on any painted area...Repaired chips, scratches and dents are acceptable provided the work is completed to a professional standard by repairers who can provide full warranty on their work. Obvious evidence of poor repair, such as flaking paint, preparation marks, paint contamination, rippled finish or poorly matched paint is not acceptable.”*
- Paintwork, vehicle body, bumpers and trim – scratches – *“Surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out. A maximum of four surface scratches on one panel is acceptable.”*

I've looked very carefully at the evidence provided by LeasePlan, which includes video and still photographic evidence, with measuring tools showing the length of the various scratches. I'm satisfied that the areas identified by LeasePlan as damaged are indeed beyond what is recognised as fair wear and tear according to the published industry standards.

I note that Miss A said she wasn't present for the inspection. She has explained that the agent was late for the appointment, she was in a rush and the agent told her she didn't need to be present. Miss A explains that for personal reasons (which were clearly and understandably difficult for Miss A) she was stressed, anxious and rushing to get somewhere else.

Miss A has submitted specifically in relation to the rear door scratches that she believes this to be a white substance originating from when she renewed those panels. Miss A hasn't explained when those panels were renewed or why the renewal would have left a white substance on the doors. Miss A says that they would have wiped off. I note that Miss A says that it was both driver's side doors which were renewed.

Miss A had the opportunity to review the inspection findings at the time of collection. It seems that she chose not to. I agree with our investigator that this was Miss A's choice. She could have remained present with her vehicle if she had wanted to, and she could have reviewed the inspection findings. Had she done so she would have been able to wipe the door clean if the marks had been a white substance. The car was very dirty, inside and out, but having reviewed the photographs I am satisfied that the white marks are scratches as identified by LeasePlan and not just marks which would have wiped clean. I note that LeasePlan has reduced the charge for these scratches significantly and this seems fair.

Miss A suggests that the agent added scratches to the report which didn't exist at the time of the inspection. She also says she thinks he added one of the scratches himself, because it looks 'very fresh'. She says that parts of her home doorbell video footage have been blocked out during the inspection. It is not entirely clear what Miss A means by this, but I infer that Miss A is intimating that the collection agent did something to the doorbell to hide his actions. Miss A says had she thought there were scratches before collection she would have had them repaired. But I am satisfied that there is no evidence to support a finding that scratches were added by the agent or anyone else either during or following collection.

Given all of the above, I'm satisfied that the charges LeasePlan asked Miss A to pay were applied fairly and in line with relevant industry guidance.

I note that Miss A has indicated that she will find it difficult to pay for the charges. Miss A should approach LeasePlan to discuss this with the business to see if a payment plan can be agreed.

My final decision

My final decision is that I do not uphold this complaint. It follows that LeasePlan UK Limited does not need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 19 June 2024.

Sally Allbeury
Ombudsman