

The complaint

Mrs F complains about damage charges that Mitsubishi HC Capital UK Plc trading as Novuna Vehicle Solutions has invoiced her for.

What happened

In October 2020 Mrs F entered into a hire agreement with Novuna for a car.

In October 2023, after the agreement had come to an end, the car was inspected and collected from Mrs F. The inspector identified a number of damages which they deemed to be beyond fair wear and tear and which they estimated would cost £895.20 to rectify (repair).

In October 2023 Novuna contacted Mrs F asking her to pay £745.20 being £895.20 less a £150.00 credit applied as a gesture of goodwill.

Mrs F complained that she shouldn't have to pay £670.20 of the sum Novuna was seeking from her. She also pointed out that the car had been returned with less mileage on the odometer than allowed for under the agreement terms and conditions.

Novuna considered Mrs F's complaint and confirmed it was satisfied that it had correctly charged her the £670.20 she was disputing but it had applied a further credit of £30.00 to the sum it was seeking payment of bringing the total down, in this respect, to £715.20.

Unhappy with Novuna's response to her complaint Mrs F referred it to our service.

Mrs F's complaint was considered by one of our investigators who came to the view that Novuna was entitled to seek payment of £715.20 from her.

Mrs F didn't agree with our investigator's view so her complaint has been passed to me for review and 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.

Having done so I can confirm that I've come to the same overall outcome as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

Although it doesn't appear to be in dispute, on signing the agreement Mrs F accepted the following terms and conditions:

3.1 You agree...

(b) to keep the vehicle in good condition and repair. 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 Renting and Leasing Association (BVLRA)

7.3 If the vehicle is returned to us within 7 days of after the date of termination, you shall also pay us compensation for any failure by you to comply with clauses 3.1(b)...amounting to (at our unrestricted option) either any costs which we actually expend to rectify this breach or (as our reasonable pre-estimate of the diminution in value of the vehicle as a result of that breach) the estimated costs of the work that would be required to rectify your breach.

So with the above in mind I'm satisfied that on the car's return Novuna had the right to charge, and Mrs F had an obligation to pay, for any damage to the car deemed to be beyond fair wear and tear.

After Mrs F complained to it Novuna said it was prepared to accept £715.20 in respect of the identified damage to the car, broken down as follows:

• front left wing – dirt in paint – poor repair	£173.40*
• front left door – dirt in paint – poor repair	£173.40*
• front bumper – dirt in paint – full bumper	£150.00*
• right sill panel – scratched – through paint	£173.40**
• rear left load door – dent – dent	£75.00
• right quarter panel – dent – dent	£75.00
• right rear door – dent – dent	£75.00
• sub-total	£895.20
• gesture of goodwill deduction	(£150.00)
• sub-total	£745.20
• administration fee refunds (2 x £15.00)	(£30.00)
• total	£715.20

**charges specifically disputed by Mrs F with Novuna – submits work undertaken by an insurer approved repairer*

***charge specifically disputed by Mrs F with Novuna – submits damage constitutes fair wear and tear*

I've considered the damage that Mrs F appears to have not complained about specifically to Novuna (3 dent charges at £75 each) in light of both the inspection report produced and the BVRLA guidelines. And having done so I'm satisfied (for the same reasons as noted by the investigator in their view) that this damage is damage that Novuna can fairly and reasonably charge Mrs F for.

I will now turn to the damage charges that Mrs F specifically complained to Novuna about.

front left wing £173.40, front left door £173.40 and front bumper £173.40

In respect of paintwork, vehicle body, bumpers and trim the BVRLA guidelines state:

“There must be no rust, corrosion or discolouration on any painted area, including bumpers, body mouldings and mirrors.

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.”

I've looked at the inspection report photographs in support of these charges and I'm satisfied that these show, amongst other things, dirt in the paint and a rippled finish.

I accept that these three body parts were subject to repairs, by an insurer approved repairer, following an accident. I also accept that the garage that undertook the repairs disputes the inspector's findings and submits that it should have the chance to rectify any damage fairly and reasonably deemed to be beyond fair wear and tear.

But as pointed out by the investigator once the car had been returned to Novuna (or its agents) Mrs F lost the right to have any damage deemed to be beyond fair wear and tear repaired by her (or her agents).

right sill panel £173.40

In respect of paintwork, vehicle body, bumpers and trim (scratches) the BVRLA guidelines state:

“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 at the inspection report photograph in support of this charge and I'm satisfied that it shows more than four scratches and a number of scratches under which primer and/or bare metal is showing. So taking everything into account I'm satisfied that this is damage that Novuna can fairly and reasonably charge Mrs F for.

Having concluded that Novuna is entitled to charge for all seven items of damage that it has, I've gone on to consider whether a sum of £745.20 for this damage is fair and reasonable. And taking everything into account I'm satisfied that it is.

I note that Mrs F suggested to Novuna that she should get credit for returning the car with only 26,049 miles on the odometer rather than 30,000 miles. But the agreement makes no allowance for such a credit and I'm satisfied, based on what Mrs F has said and submitted, that she entered into the agreement in the full knowledge of this fact.

So in summary, and I appreciate Mrs F will be disappointed, I'm satisfied that Novuna is entitled to seek recovery of the sum of £715.20 from her.

My final decision

My final decision is that Mitsubishi HC Capital UK Plc trading as Novuna Vehicle Solutions can fairly and reasonably seek the payment of £715.20 from Mrs F, this sum being £745.20 in damage charges less £30.00 in administration fee refunds.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 31 July 2024.

Peter Cook
Ombudsman