

## **The complaint**

Mr B complains about the charges Mitsubishi HC Capital UK PLC, trading as Novuna Vehicle Solutions (“Novuna”), applied when he returned a car at the end of his lease agreement.

## **What happened**

Mr B entered into a hire agreement with Novuna in July 2020. The agreement ended in July 2023 and Mr B arranged for the car to be collected. He was unhappy with the end of contract charges that were applied when he returned the car.

Mr B told us that he had been involved in an accident which wasn't his fault. He'd asked Novuna what he should do, and it had told him he should arranged the repairs through his own insurers, which he did. However, when he returned the car, the inspection agent said that the repairs were not satisfactory, and Novuna charged him for further repairs.

Mr B complained to Novuna and it reviewed the charges. It reduced some charges relating to late collection of the vehicle as this wasn't Mr B's fault. It also offered £150 as a gesture of goodwill, to be taken off the outstanding charges. A small charge remained for informal rental, related to when Mr B organised for the vehicle to be collected, but Mr B does not dispute this.

Mr B wasn't happy with Novuna's response, so he complained to this service.

Our investigator reviewed Mr B's complaint. They thought that it wasn't clear that two of the charges were fair – the pictures supplied by Novuna for A post R and A post L didn't clearly show a problem. Novuna agreed to remove these charges, leaving a total sum for damages of £585 once the gesture of goodwill payment was taken into account.

Mr B wasn't happy with this outcome and so he asked for an ombudsman to review his complaint. The case was passed 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 the same reasons.

The terms and conditions of the agreement, signed by Mr B, sets out Mr B's obligations in terms of keeping the vehicle in good condition and repair in line with the guidelines issued from time to time by the BVRLA. I've read this carefully, and I'm satisfied that Mr B was responsible for returning the car in good condition, but the question is whether all the charges applied by Novuna are fair and reasonable.

The remaining charges are as follows:

- Front wing R – Dull paint/poor repair £140
- Front door R – Dull paint/poor repair £140
- Front bumper – Dull paint/poor repair £175
- Front wing L – Dull paint/poor repair £140
- Front Door L – Dull paint/poor repair £140

Towards this, Novuna had already credited Mr B £150 as a gesture of goodwill, leaving a total outstanding of £585.

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. This is the standard that Novuna applied following the inspection.

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

*"Paintwork, vehicle body, bumpers and trim – Obvious evidence of poor repair, such as flaking paintwork, preparation marks, paint contamination, rippled finish and poorly matched paint, is not acceptable."*

Mr B says that he washed and polished his car numerous times before it was returned and that he did this under varying lighting conditions. He says he didn't see any defects.

I have reviewed the photographs supplied by Novuna and I am satisfied that the repairs to the paintwork are of poor quality and show evidence of ripples to the surface. These are clearly visible in photographs taken at the time of collection in ordinary outdoor natural lighting conditions. As explained earlier, our investigator had already challenged Novuna about two other areas of damage which weren't clear in the photographs and Novuna had agreed to remove the charges. I am satisfied that the remaining damaged areas go beyond fair wear and tear and is chargeable.

Mr B submits that he has acted reasonably and fairly throughout the process following the accident which caused the damage and, ultimately, this dispute. I agree entirely with his assertion. However, it is not Novuna which should be held responsible for the failed repairer; this responsibility lies with the repairer. Mr B's hire agreement with Novuna states, '*any repairs made to the vehicle before its return must be to a professional standard by repairers who can provide a full transferable warranty on their work.*' It is not clear whether the repairer provided such a warranty, although Mr B has also said that he shouldn't be expected to do Novuna's '*legwork*' to recover money from the repairer.

It is up to Mr B whether he chooses to pursue the matter either with the repairer or his insurer, and he will be able to provide both with this decision as evidence of the unsatisfactory nature of the repairs. However, I am satisfied that the charges Novuna has applied and maintained have been made fairly. I also consider that it has acted fairly in removing some of the charges and offering a gesture of good will.

### **Putting things right**

Novuna has agreed to remove charges related to A Post R and A Post L as well as crediting Mr B with £150 as a goodwill gesture. I agree that this is a fair outcome and I consider that

the remaining charges set out above are fair and reasonable.

**My final decision**

Mr B's complaint is partially upheld. Mitsubishi HC Capital UK Plc, trading as Novuna Vehicle Solutions, has agreed to put things right in the way I have described above. I think this is a fair and reasonable resolution. This means if Mr B accepts my decision he remains liable for costs totalling £585.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 August 2024.

Sally Allbeury  
**Ombudsman**