

The complaint

Mrs M is unhappy with the charges Ald Automotive Limited (“Ald Automotive”) applied, when she handed back a car she acquired under a hire agreement.

What happened

In July 2019, Mrs M entered into hire agreement to acquire a brand new car. At the end of the agreement in June 2023, the car was collected by Ald Automotive’s recovery agents – who I’ll refer to as “B”.

An inspection was carried out at Mrs M’s property by B. It said the following damage, totalling £1,212.83, was outside of fair wear and tear:

1. Left hand front wheel – scratched – spoke damage - £50
2. Parcel shelf/ load cover – missing - £442.83
3. Rear bumper – scratched multiple areas - £120
4. Right hand front door – paint chips - £120
5. Three missing services - £480

Mrs M complained to Ald Automotive.

Ald Automotive issued its response to Mrs M’s complaint. It said it removed the charge for the left hand front wheel as a gesture of goodwill. It also said the report carried out by B confirmed the parcel shelf was present in the car boot. It apologised and removed the charge for this. It reduced the charge for the rear bumper from £120 to £65. It said the charges for the right hand front door and the missing service history were fair. It also waived a separate charge of £259.90 for late hire. It said Mrs M owed £665.

Unhappy with this, Mrs M referred her complaint to this service. She said she wasn’t present when the car was collected, so a family member facilitated the collection. She said B told the family member that apart from the alloy, the other scratches would be classed as normal wear and tear. She said Ald Automotive had wrongly tried to charge her for the missing parcel shelf and she was told that Ald Automotive could access the missing service history online. She said one of the service charges was for the year 2020 and the car was brand new at that point, so it didn’t need a service. Mrs M paid the charges for the rear bumper and right hand front door. But she said she was unhappy that Ald Automotive were chasing her for repayment, she wanted Ald Automotive to remove the £480 charge for the three missing services and she wanted a refund of some of the amounts she had paid.

Our investigator looked into the complaint and said the charges were applied fairly in line with the industry standard - The British Vehicle Rental & Leasing Association’s (“BVRLA”) fair wear and tear guidelines. She said Ald Automotive had provided Mrs M with the opportunity to send it evidence that the car had been serviced, but she didn’t do this until November 2023.

Mrs M disagreed. She said she had received communication from a third party debt collector and Ald Automotive had tried to trick her into paying for the missing parcel shelf.

As Mrs M remains in disagreement, the case has been passed to me to decide.

Ald Automotive has already removed the charges for the left hand front wheel and the missing parcel shelf. So I've not considered these charges as part of this 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.

I've read and considered the whole file and acknowledge that Mrs M has raised a number of different complaint points. I've concentrated on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it – but because I don't think I need to comment on it in order to reach what I think is the right outcome. The rules of this service allow me to do this.

Mrs M complains about a hire agreement. Entering into consumer credit contracts such as this is as a lender is a regulated activity, so I'm satisfied I can consider Mrs M's complaint against Ald Automotive.

When reaching my decision, I'm required to consider relevant industry guidance. Here, relevant guidance includes the guidelines on fair wear and tear published by the trade body, the BVRLA. This guidance is generally intended for the return of new cars at the end of the first leasing cycle. Ald Automotive is a member of the BVRLA.

The terms and conditions of Mrs M's hire agreement explain that Mrs M agreed to maintain the bodywork and the exterior and interior of the car in a good condition. The terms and conditions confirm that Ald Automotive use the criteria set out in the BVRLA's guidelines to determine what fair wear and tear is.

Rear bumper

The BVRLA says for scratches on the bumper:

“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 photographs which show the rear bumper. These shows there are a number of scratches on the bumper which are collectively greater than 25mm through the topcoat. A further large scratch is present where the primer is showing. As a result of this, I think it's fair for Ald Automotive to charge Mrs M for the repair to the front bumper, as it falls outside of fair wear and tear. Ald Automotive has agreed as a gesture of goodwill to reduce the charge to £65. I think this is fair in the circumstances.

Right hand front door

In relation to paintwork chips, the BVRLA says:

“Chips of 3mm or less in diameter are acceptable provided they are not rusted. A maximum of four chips on any panel, six chips per door edge and eight chips on any forward-facing panel is permitted.”

I've looked at the photographs provided for the right hand front door where damage was identified by B. The photographs show a number of chips down the inside door edge, a scuff and some paint chips on the door panel. There are more than six chips across the panel. So having thought about this carefully, I'm satisfied Ald Automotive is entitled to charge Mrs M for the damage to the right hand front door, as it falls outside of fair wear and tear.

Missing services

Ald Automotive said the service history was missing for three years and so, it had to sell the car without the service history for three years.

In relation to maintenance, servicing and repairs, the BVRLA says:

“The vehicle must have been serviced and looked after according to the manufacturer’s servicing/maintenance schedule.

The service book, if originally supplied with the vehicle, must be present and date-stamped by the repairer or workshop as evidence that the services have taken place. If the service record is kept electronically, the customer must produce evidence that the vehicle has been serviced and maintained according to the vehicle manufacturer’s service and maintenance schedule. Appropriate evidence would include hard copies of the service record or invoice clearly showing the date, vehicle mileage reading and the repairer/service agent’s stamp.”

Mrs M’s hire agreement says:

“You must have the vehicle serviced and maintained in accordance with the manufacturer’s requirements. Make sure you keep a record of repairs and servicing as you will need to prove this has been done.”

In this case, Ald Automotive said the car should have been serviced every 12 months in line with the service intervals set by the manufacturer. It said as the car had covered 30,628 miles, it should have had a minimum of three services completed in July 2020, July 2021 and July 2022.

Ald Automotive provided Mrs M with the opportunity to send it a copy of the servicing history in June 2023 and explained where she could obtain this from. Mrs M did get the car serviced in May 2020 and May 2023, as she has provided evidence of these services. However, she also needed to arrange for the car to be serviced in 2021 and 2022. Mrs M hasn’t provided any supporting information to suggest these services were carried out. So I think its fair for Ald Automotive to charge Mrs M for these two missing services.

Mrs M says she was told that Ald Automotive could access the service history online. However, the BVRLA guidelines state that the customer must provide evidence that the car has been serviced according to the manufacturers service and maintenance schedule. After B’s inspection was carried out, Ald Automotive asked Mrs M to provide it with evidence of any services carried out. Mrs M didn’t provide it with evidence of the May 2020 service until November 2023, which was after the car was sold in July 2023. So given the car was sold without the service history, I think its also fair for Ald Automotive to charge Mrs M for this missing service.

Overall, I’m satisfied that Ald Automotive has correctly charged Mrs M for the three missing services.

Did Ald Automotive act unfairly in any other way

Mrs M says Ald Automotive tried to trick her into paying for a missing parcel shelf. I understand Mrs M’s strength of feelings in this matter, as she says Ald Automotive only removed the charge once she provided a picture of the parcel shelf in the back of the car. Ald Automotive said upon review, B had noted on its report that the parcel shelf was in the boot. However, this comment wasn’t identified. It apologised to Mrs M for the error and any inconvenience caused. It also removed the charge. Having considered this, I think an apology and removal of the charge is appropriate and fair in the circumstances.

Mrs M also said that she was unhappy she was being pursued by a third party debt collection agency to recover the outstanding amount from her. She said it did this despite her referring a complaint to this service. I understand Mrs M is unhappy she is being pursued for the outstanding amount. However, Ald Automotive is entitled to recover the outstanding amount through use of a third party collection agency should it decide to do this. It also isn’t obliged to pause collection of a debt, whilst a complaint is being considered by this service.

Overall, I think the charges applied by Ald Automotive for the damage and missing services are fair and reasonable. And so, it follows that I don’t require Ald Automotive to do anything

to put things right. Having said this, if Mrs M is in financial difficulty, I'll take the opportunity to remind Ald Automotive that it should treat her with forbearance and consideration.

My final decision

My final decision is that I do not uphold Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 12 August 2024.

Sonia Ahmed
Ombudsman