

## **The complaint**

Mr U complains about the charges Marsh Finance Ltd (“Marsh”) applied when he voluntarily terminated his car finance agreement. He also complains about failed collections and the way Marsh reported to his credit file.

## **What happened**

Mr U entered into a hire agreement for a used vehicle in September 2021. The agreement was for 60 months but in December 2023 Mr U decided to voluntarily terminate the agreement, which the agreement allowed him to do.

Mr U arranged with Marsh for the vehicle to be collected. There were delays with the arrangements for the collection and Mr U had to take time off work to deal with collections which didn’t happen. When the car was collected it wasn’t inspected in Mr U’s presence.

After the collection the car was later inspected, Marsh charged Mr U £265 for damage which it said fell outside fair wear and tear and for items it said were missing.

Mr U complained to Marsh about the charges in February 2024. He also complained about the delays with the collection and that adverse information had been recorded on his credit file incorrectly.

Marsh didn’t uphold Mr U’s complaint. Mr U decided to bring his complaint to this service.

Our investigator reviewed Mr U’s complaint and concluded that Marsh hadn’t acted fairly. While our investigator thought that a charge for damaged wheels was fair, they didn’t agree with other charges. And they said that Marsh needed to pay a sum to recognise the distress and inconvenience Mr U experienced through Marsh’s failings in relation to the failed collections and incorrect credit reporting.

Marsh didn’t agree with this outcome. It said that it would waive a charge for an incomplete tyre inflation kit, but it still considered that the charge for a locking wheel nut key was reasonable. It also didn’t agree to pay anything to Mr U for the errors in its credit reporting because it said it had put it right. And it didn’t agree to pay anything to Mr U for the failed collections because it said another company was responsible for this.

Our investigator didn’t think this made a difference to their assessment. As Marsh didn’t agree with the outcome the case has been 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 about Mr U’s complaint and for the same reasons. I will explain why.

Marsh charged Mr U for damage to the alloy wheels of the car. Mr U was responsible for returning the vehicle in good working order and condition. His agreement explained that he was responsible for damage to the vehicle other than that due to fair wear and tear.

I have looked at the guidance issued by the British Vehicle Rental and Leasing Association (BVRLA). This is the industry standard for considering what is 'fair wear and tear' when returning a leased or rented vehicle, so I think it is fair to apply that guidance.

The BVRLA guidance says:

*“Scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels/hub are acceptable.*

*Any damage to the wheel spokes, wheel fascia, or hub of the wheel/alloy is not acceptable. There must be no rust or corrosion on the alloy wheels/wheel hubs.”*

I have reviewed the photographs of the wheels supplied by Marsh. Each one has damage far in excess of what would be considered fair wear and tear. Marsh has charged £30 to repair each of the wheels – so, a total of £120. Given the age of the vehicle at the time of return I think this is a reasonable amount to charge.

Mr U was also charged for an incomplete tyre inflation kit. Marsh agreed to waive this charge following our investigator's view, so I have not considered this further. Marsh also charged for a missing wheel locking nut. Mr U says this was returned with the vehicle.

The vehicle was not inspected in Mr U's presence, so there was no record made at the time the vehicle was collected of whether the item was there or not. This means it is not possible for Marsh to state that the item was missing at the point of collection– or for Mr U to prove that it wasn't missing.

Mr U has provided credible testimony that the item was present at the time of his vehicle's collection. I can see from other records that the collection process was disorganised and chaotic, so I am satisfied that on the balance of probabilities that it is more likely Mr U returned it. So, I don't think Marsh should charge for this.

Marsh has also objected to paying Mr U a small sum - £100 – to recognise the failures in the collection process. It says it wasn't responsible for this as another company collected the vehicle on its behalf. It says that Marsh gave that company the correct instructions and intimates Mr Marsh should complain to them instead. The other company was acting on Marsh's instructions as Marsh's agents, and so I am satisfied Marsh is responsible for the other company's actions while it acted on Marsh's behalf. Mr U didn't have a contract with the other company to provide the collection and that company has no reason to engage with Mr U about this matter. Mr U was not given any choice about which firm collected the vehicle. In my view, having reviewed the email and text exchanges about the collections, the process was shambolic and caused Mr U significant inconvenience. Marsh should compensate Mr U £100 for the inconvenience it and its agents caused him. Of course, it is open to Marsh to seek a payment from its agents to compensate it for this.

Similarly, Marsh objects to paying another small sum – again, £100 – to recognise the distress and inconvenience it caused to Mr U when it reported information about Mr U incorrectly to credit agencies. This happened not once, but twice. Marsh says that as it put the information right this should be sufficient. It isn't. Mr U was put to considerable inconvenience getting Marsh to permanently resolve its repeated errors. He was applying for a mortgage at the time and this misreporting of his financial circumstances could have had

very serious consequences for Mr U. So, I agree that Marsh should pay Mr U £100 in recognition of the distress and inconvenience it caused Mr U about this matter.

### **Putting things right**

Marsh should waive the charge for the locking wheel nut key, and it should pay Mr U a total of £200 to recognise the distress and inconvenience Marsh caused to Mr U. It may still charge for the damage to the alloy wheels.

### **My final decision**

I partially uphold Mr U's complaint and Marsh Finance Ltd should resolve matters as I have directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 3 October 2024.

Sally Allbeury  
**Ombudsman**