

The complaint

Mrs M complains about the charges Volvo Car UK Limited (“Volvo”) applied when she returned a car after her hire agreement ended.

What happened

Mrs M entered into a hire agreement in January 2022. She ended the agreement August 2023 and Mrs M returned the car. She was unhappy with the end of contract charges that were applied when she returned the car. Mrs M told us that she returned the car with no damage. Mrs M thought damage to a bumper may have been caused whilst the vehicle was with the retailer for a repair. In relation to damage to one of the alloy wheels, Mrs M said that the car was cleaned and inspected by her and her husband shortly before collection and no damage was observed. Mrs M considered it possible that damage had been caused by the inspecting agent.

Mrs M complained to Volvo about the charges related to damage of the vehicle. She accepted another charge for an incomplete service history.

Volvo rejected Mrs M’s complaint. It said the car was collected on 10 August 2023 and inspected at the time and the report was used to calculate the charges for the vehicle conditions which fall outside of the defined wear and tear standard. It said this inspection identified some damages totalling £809.57. It is not clear whether this total includes VAT. Volvo reviewed the charges along with evidence supplied by Mrs M but maintained the charges.

Mrs M disagreed and brought her complaint to this service. Mrs M also complained about some other aspects of her termination invoice.

Our investigator looked at this complaint and didn’t uphold Mrs M’s complaint. The investigator explained that the evidence provided by Mrs M wasn’t clear enough to show that the vehicle was damage-free at the time of collection, and they didn’t have sufficient evidence to support a finding that it had been caused post-collection. Our investigator also explained the termination invoice more clearly.

Mrs M didn’t completely agree with the investigator’s view in relation to the damage although she accepted our investigator’s view about the termination invoice and the damage to the bumper.

Mrs M provided further evidence to our investigator about the condition of the vehicle when it was returned. Our investigator didn’t think this made a difference to the outcome. As Mrs M didn’t agree her complaint was passed to me to make a decision.

When I reviewed the evidence I came to a similar conclusion to our investigator, but I considered the amount Volvo intended to charge Mrs M wasn’t supported by the evidence.

I wrote to both parties to explain my findings. Both parties agreed with my provisional decision, although Volvo indicated it wished to have a final decision confirming my approach, which I am happy to do here.

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 reached the same conclusion as our investigator about the damage and for the same reasons. However, I reached a different decision about whether Volvo fairly charged Mrs M.

The terms and conditions of the agreement, signed by Mrs M, sets out Mrs M's obligations in terms of keeping the vehicle in good condition and repair. It says:

"You may be liable for necessary repair and maintenance costs to bring the car to a standard in line with any applicable industry standard relevant to the assessment of fair wear and tear."

Volvo said the damage charges were in line with the guidelines issued by the British Vehicle Rental and Leasing Association (BVRLA). Mrs M initially said that she hadn't been informed that these guidelines would be used or provided with information about what the guidelines said. Our investigator provided her with detail from her agreement to show that she was given enough information. Mrs M acknowledged receiving the BVRLA guidance on 1 August 2023 but says it should have been given to her at the point she took out the lease. This is addressed later in this decision.

The inspection completed for Volvo identified two areas of damage that it deemed to be unacceptable - outside fair wear and tear:

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| 1. A scratch to the bumper | £65.00 |
| 2. Damage to the left rear alloy wheel | £744.57 |

Fair wear and tear guidelines have been issued by the BVLRA and these are accepted as an industry standard in determining whether any damage goes beyond fair wear and tear. So, I've taken these into account when deciding what is fair and reasonable for Volvo to charge Mrs M. Mrs M now accepts the charge for the bumper, so it is only the damage to the left rear alloy wheel that I need to consider.

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 Volvo. It says:

- *Wheels and wheel trims – "Dents on wheel rims and wheel trims are not acceptable. Scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels/wheel hubs 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."*

Having reviewed the photographs provided by Volvo I am satisfied that the wheel was damaged beyond fair wear and tear.

Mrs M supplied video footage of the vehicle taken by her partner shortly before collection. She submits that this shows the vehicle's alloy wheel was not damaged when it left her possession. Unfortunately, the video does not focus in on the wheel or bumper.

Mrs M later sent still photographs taken from the video footage. These do show scuff marks as well as some warping to the alloy. The damage follows a similar pattern to the marks seen on the photograph supplied by Volvo. So, I'm satisfied that the damage was present at the time of collection.

In her response to the investigator's view Mrs M makes the following points, the relevant ones of which I have summarised:

- There is no proof the wheel shown in Volvo's pictures is the wheel of Mrs M's vehicle.
- The video footage shows no scuffing, warping or damage.
- If damage had been present before collection, Mrs M would have claimed on her insurance before handing the vehicle back.
- It was unreasonable of Volvo not to append the BVRLA guide to her lease agreement.
- Volvo's policy of full replacement of the damaged wheel is unfair.

I have no reason to believe that the wheel shown in Volvo's pictures is not the wheel of Mrs M's vehicle. The original photograph supplied by Volvo was part of the full report on the vehicle and I do not think on the balance of probabilities it is more likely than not that the inspection agency substituted a photo of another vehicle's wheel among other photographs of Mrs M's vehicle. Mrs M has not provided any evidence to support an alternative finding.

As I have already said in relation to the video footage, this footage does not focus on the area of the wheel. Still photographs taken from the footage *do* show scuffing and other damage which I think it quite clear even without enhancement of the photograph, as does the photograph provided by Volvo. That Mrs M did not notice the damage (and therefore did not claim on her insurance) is not relevant to this consideration.

In relation to Mrs M's point about when she was provided with the BVRLA guide, I note that our investigator identified that the terms and conditions of her agreement stated that Mrs M would be given that guidance in the handover email at the beginning of the lease. Mrs M says this didn't happen, although she hasn't provided a copy of that handover email. But even if Volvo didn't provide this when it said it would, Mrs M could have asked for it at any time. And she was provided with it before she completed the return of the vehicle. In some respects, this is immaterial anyway, as Mrs M disputes there was any damage to the vehicle.

So, I am satisfied that the damage in the photograph provided by Volvo is from the alloy wheel on Mrs M's vehicle and that it was beyond that which could be considered fair wear and tear.

However, I can not be satisfied that the wheel was beyond repair. While I can see clear damage, there is no evidence to suggest it was damaged so severely that it could not be repaired. I asked for evidence from Volvo about why it charged for a full replacement rather than a repair. Volvo acknowledged my request and said it would seek further information from the company it engaged to complete the inspection. However, no further information was received in the four weeks before I made my provisional decision. Following my provisional decision Volvo confirmed that it was unable to provide this information.

On this basis, I cannot be satisfied that Volvo acted fairly in charging Mrs M for a full replacement of the alloy wheel.

Putting things right

I don't think Volvo acted fairly when it charged Mrs M the full replacement cost of the alloy wheel. For this reason, I think Volvo should remove the current charge for replacement of the alloy wheel and substitute the cost for repair of the wheel in line with its usual charges. I indicated in my provisional decision that this service would expect a repair cost for a standard alloy wheel to not exceed £150 without further explanation from Volvo.

Volvo has explained that as the vehicle has now been disposed of that it cannot state how much the repair would have cost. As both parties agreed with my provisional decision on this matter I consider it reasonable that Volvo should charge no more than £150, which should include VAT.

My final decision

I partially uphold Mrs M's complaint and direct Volvo Car UK Limited to put things right in the way I have described above.

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

Sally Allbeury
Ombudsman