

The complaint

J complain about a charge they were asked to pay by Mitsubishi HC Capital UK PLC, trading as Novuna Vehicle Solutions (Novuna) when they returned a car they had been financing through an agreement with them.

What happened

J took receipt of a new car in October 2020. They financed the deal through a hire agreement with Novuna. They returned the car at the end of the lease in May 2024 and when it was inspected Novuna sent them an invoice for damage charges. J agreed with most of the charges, but they disputed a charge for damage to a leather seat. They said there was a known problem with seats on this model and that the rip in the leather was, therefore, to be expected.

Novuna didn't agree to waive the charge. So, J referred their complaint to this service and our investigator took a look. She wasn't persuaded that Novuna had been unreasonable, but J continued to dispute the charge. They asked for a final decision by an ombudsman.

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 know it will disappoint J, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments 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.

J acquired the car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The British Vehicle Rental and Leasing Association (BVRLA) provide the industry guidelines on what should be considered fair wear and tear. This is a commercial vehicle as it is a manufacturer built pick up used for commercial purposes. The relevant guidelines would therefore be the April 2018 Fair Wear and Tear Standard for drivers and operators of contract-hired, leased and financed light commercial vehicles and minibuses up to 17 seats. The guidance says that *"All interior upholstery, seats, fascia/dashboard, headlinings and trim must be clean and odourless, with no burns, scratches, rips, tears, or staining."*

The image in the inspection report shows a rip of about 60mm to the seat cover. That's in excess of the BVRLA standard and I think Novuna were fair to levy a charge for it.

J have provided images of similar vehicles of a similar age and with similar problems. I understand their assertion that the rip (they say wear line) has been caused by a manufacturing default and can only, therefore, fairly be considered fair wear and tear. J had the opportunity ahead of any inspection to report the issue and it may have been something that could have been considered under warranty. But I don't think Novuna were unreasonable to apply the industry standard to assess the damage and, in those circumstances, I don't think they were unfair to levy the charge that they did.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 18 December 2024.

Phillip McMahon
Ombudsman