DRN-2666302

The complaint

Mr W's complaint is about the charges applied at the end of his hire agreement with Mercedes-Benz Financial Services UK Limited (MBFS). He rejects the claim for damage.

What happened

Mr W entered into a hire agreement with MBFS in September 2017. At the end of the agreement the car was collected. Mr W says that when the car was collected it was light and the car was clean and so any dents could have been noted at that time, but none were.

Mr W received an invoice for £295. This included charges for cleaning (£10) and a missing V5 document (£25) which were removed after he challenged these. The main charge of £260 was for damage to the car's bumper. Mr W disputed this charge and requested a copy of the inspection report. He was sent this, and it showed a dent. However, Mr W says the damage wasn't recorded on the collection inspection report and said it happened after this.

Mr W also said that MBFS had said it didn't provide its client's email addresses to the car collection company but that this had happened. He questioned whether this was a breach of data protection.

MBFS says that it was wet when the first inspection took place making it hard to determine the damage and that the first inspection report set out that a further inspection would take place. It says that the dent was noticeable in the second inspection and fell outside its vehicle return standards. It also says the car collection company had confirmed no damage took place on its site and that a repair took place.

Our investigator didn't uphold this complaint. He said he had considered MBFS' vehicle return standards and the industry guidance set up by the British Vehicle Rental and Leasing Associations (BVRLA). He said the damage recorded by MBFS fell outside of the fair wear and tear guidelines and so didn't think the charge had been applied unfairly.

Mr W didn't accept our investigator's view. He said the car was clean when collected and MBFS had accepted this by removing the cleaning charge and that while wet, any damage could have been seen.

My provisional conclusions

I issued a provisional decision on this complaint. I concluded in summary:

- Mr W should have been reasonably aware that a second inspection would take place.

- The second inspection took place over two weeks after the car was collected. The BVRLA says that if charges are to be applied the hirer should be told of these within four weeks of the car being collected. This didn't appear to have happened in this case.

- Charges were applied for damage to the bumper (£260), cleaning (£10) and a missing V5 registration document (£25). Having looked at the photographs and video taken on collection, the car appeared clean and the first inspection report recorded that the V5 document was present, so I found it reasonable the charges for cleaning and the V5 document were removed.

- The second inspection report showed damage to the bumper which appeared to fall outside of the BVRLA fair wear and tear guidelines.

- Mr W challenged when the damage took place. The first inspection had a photograph of the bumper and a video showing this area of the car. The inspection seemed to have been reasonably thorough and there seemed to be reasonable light and so any obvious damage would have been seen. Having looked at the photographs and video from the first inspection I couldn't say for certain that the damage to the bumper was present. I also noted that the mileage on the car increased from 10,676 at collection to 10,839 on the second inspection report. As the car was driven by the collection company I found it possible that damage could have occurred during that time.

Overall, I didn't find I could say based on the first inspection report that the damage was present. Because of this uncertainty, the feedback given to Mr W at the time of the first inspection and the delay in the charges being sent to Mr W I found the fair resolution was for the £260 damage charge to be removed.

I noted the comments Mr W made about his email being provided to the car collection company. I said that if Mr W was concerned about a data breach he could refer this to the Information Commissioner Office (ICO). I didn't find that Mr W had been disadvantaged by the collection company having his email.

Both Mr W and MBFS accepted the recommendation in my provisional decision. MBFS said that it would remove the charge and close Mr W's account.

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.

As I set out in my provisional decision, I couldn't say for certain that the damage Mr W was charged for was present when the car was collected from him. Therefore, I think the fairest resolution is for the charge to be removed.

As both parties agreed with my provisional decision my final decision remains that the charge for damage should be removed from Mr W's account.

Putting things right

Mercedes-Benz Financial Services UK Limited should, as it has agreed, remove the outstanding charge of £260 from Mr W's account and close his account. If any adverse information has been recorded on Mr W's credit file because of this issue, this should be removed.

My final decision

My final decision is that I uphold this complaint. Mercedes-Benz Financial Services UK Limited should take the actions set out above to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 April 2021.

Jane Archer
Ombudsman