

## **The complaint**

Mr S complains about end of contract charges when his agreement with Mercedes-Benz Financial Services UK Limited ended. He's also unhappy that the car wasn't collected on the arranged date and seeks compensation for the losses he incurred as a result.

## **What happened**

In March 2017 Mr S was supplied with a car and entered into a hire purchase agreement with MBFS. At the end of the agreement, MBFS arranged for the car to be inspected and collected. The collection was arranged for 26 March 2021 but this failed because the agent experienced travel delays. Collection was rearranged for an alternative date.

Following inspection and collection, MBFS invoiced Mr S for damage charges. Mr S disputed the charges and raised a complaint about the charges and the service he'd received.

MBFS reviewed the damage charges and raised a partial credit in relation to the centre console. It said the rest of the damage had been charged correctly. In relation to the collection of the car, MBFS accepted that there had been a failed collection and offered £100 as a gesture of goodwill.

Mr S wasn't happy with the response and complained to this service.

Our investigator said the damage charges and the excess mileage charges had been applied fairly. He didn't think it was fair to ask MBFS to pay the storage charges sought by Mr S and said that although collection of the car had been delayed, he didn't think this had prevented Mr S from carrying out work at home. The investigator thought that the sum of £100 offered by MBFS was fair compensation for the missed collection but said that MBFS should also refund the additional insurance costs incurred by Mr S between 26 March 2021 and the date of collection.

Mr S didn't agree. He said his professional time had been taken up waiting for the missed collection. He said he'd stored the car in his garage and had calculated storage costs based on typical storage costs.

## **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.

The terms and conditions of the agreement say that Mr S must return the car in good condition and that any damage which exceeds fair wear and tear is the customer's responsibility.

Fair wear and tear guidelines have been issued by the BLRA and these are accepted as an industry standard in determining whether damage exceeds fair wear and tear. I've also had regard to MBFS's vehicle returns standards, which set out what is considered acceptable wear and tear.

I've looked at the inspection report and the images and I've reviewed all of the damage charges. The investigator has provided a detailed explanation of why he thinks the damage falls outside of acceptable wear and tear, with reference to the relevant guidelines. I agree with the investigator's analysis. Looking at the damage identified, I'm satisfied that it exceeds acceptable wear and tear. For this reason, I'm satisfied that the damage charges have been applied fairly.

The agreement says that Mr S is liable to pay excess mileage charges of 12p plus VAT per mile if the contractual mileage allowance of 12,000 per annum is exceeded. Mr S's agreement has a term of 48 months, so the total contractual mileage was 48,000 miles. The inspection shows that Mr S had covered 62,940 miles. Based on what I've seen, I'm satisfied that the excess mileage charges have been applied fairly.

In relation to the additional expenses incurred by Mr S as a result of the failed collection, I've considered these. Mr S says he incurred storage costs as a result of having to store the car at his property. He's provided an invoice for £720 in support of this. I appreciate that Mr S was caused some inconvenience when the collection failed, but I don't think it would be fair to ask MBFS to pay storage costs. I haven't seen any evidence to suggest that Mr S has paid storage costs. The invoice for storage costs appears to have been raised by Mr S's own company. I don't think it's likely that Mr S's company would have charged him to store the vehicle at his home address.

I've thought about Mr S's claim for loss of income. He's said that he wasn't able to work on the failed collection date because he was waiting for the agent to arrive. Mr S has provided an invoice showing that his hourly rate is £250. I appreciate that Mr S's working day would have been interrupted if the collection had taken place as planned. But given that Mr S has said that he was working at home at the time, I don't think the failed collection would have prevented him from working. So, I don't think it's fair to ask MBFS to pay for any loss of income.

I agree that the missed collection caused some inconvenience but I'm satisfied that MBFS's offer of £100 is a fair and reasonable amount of compensation for this.

In relation to Mr S's claim for additional insurance costs, there's no dispute that he was in possession of the car for a few more days than he expected. And I think it's reasonable that he insured the car during this time. Therefore, I think it's fair to ask MBFS to meet any additional insurance costs incurred by Mr S.

### **Putting things right**

To put things right, MBFS must refund the additional insurance costs incurred by Mr S as a result of the missed collection.

I'm not asking MBFS to refund any other costs for the reasons I've explained.

### **My final decision**

My final decision is that I partially uphold the complaint. Mercedes Benz Financial Services UK Limited must refund Mr S the additional insurance costs incurred as a result of the failed collection.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 April 2022.

Emma Davy  
**Ombudsman**