

The complaint

Mrs M complains that Mercedes-Benz Financial Services UK Limited imposed unfair charges for damage to a car which she returned at the end of a finance agreement.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the reasons for my decision.

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 agree with the conclusions reached by the investigator for the following reasons:

Our investigator has set out at some length the various items of damage and I won't repeat that detail here. In summary Mrs M entered into an agreement under which she agreed to pay for any damage which went beyond fair wear and tear. MBFS provides a booklet setting out what is deemed to be fair wear and tear. This is broadly in line with the British Vehicle Rental & Leasing Association (BVRLA) Fair Wear and Tear Guide. This service relies on the BVRLA guide regardless of whether the business makes use of it.

The sum charged was £1,646 which include £25 for a missing V5 which was later removed. MBFS also removed charges relating to the front bumper alignment and a scratch on the right rear door. The reduced sum due was £1,371.

Our investigator examined the report and was satisfied that the revised damage charges were fair save for one item. She was concerned that the sum charged for replacing a headlight was excessive. MBFS confirmed an average cost had been used and the actual cost of replacing it was £287.77 as opposed to £746.

MBFS has agreed that cost should be reduced and I regard that as fair. I am satisfied that the other areas of damage are chargeable.

Putting things right

MBFS should reduce the end of agreement charges as set out below.

My final decision

My final decision is that I uphold this complaint and I direct Mercedes-Benz Financial Services UK Limited to reduce the sum chargeable to for the headlight to £287.77.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 28 March 2022.

Ivor Graham
Ombudsman