

The complaint

Mr F's complaint is about charges he's been asked to pay by Mercedes-Benz Financial Services UK Limited ("MBFS").

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my 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 investigator's view of this complaint. Please let me explain why.

Mr F acquired his car under a personal contract plan agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of the finance agreement held Mr F responsible for keeping the car in good condition. He would be responsible for any damage if the car wasn't returned in the correct condition.

I don't think it would be fair to suggest the initial collection of the vehicle was an inspection. MBFS have explained that this was merely a collection required because the car needed to be recovered. I think the actual inspection took place a few days after the car was collected.

Mr F accepted the charge for the damaged bumper, so I won't review that any further.

Whilst MBFS have their own vehicle return standards the industry guidelines for what is considered fair wear and tear when vehicles are returned at the end of their lease, is provided by the British Vehicle Rental and Leasing Association (BVRLA). So, I think that industry standard is the fairest gauge of whether charges have been levied fairly and I'll use that when considering the damage in the inspection reports.

I've considered the photographs of the damage in the inspection report and compared the damage to the BVRLA standard.

Rear lamp

The BVRLA say the lamp shouldn't be cracked or have a scratch that exceeds 25mm. I think the photographic evidence suggests the scratch is in excess of 25mm, so I think MBFS have been fair to make a charge to refurbish that item.

I think the photographs taken during collection also show that scratch was evident.

Quarter panel dent

The BVRLA say dents of up to 15mm in diameter are acceptable. I can't see a dent in the photograph, and I don't think it was therefore fair for MBFS to make a charge.

Wheel damage

The BVRLA say that scuffs up to 50mm on the total circumference of the wheel are acceptable. I think the photographic evidence shows the damage to be in excess of that standard and I think it was therefore fair for MBFS to make a charge for refurbishment.

I understand that Mr F has suggested that damage could have occurred after the car was collected but I think there was much more chance that the damage would have happened in the extended period he had the car than in the very limited period between collection and inspection. I also note that the car was transported and not driven to the auction house and I think that makes it even more unlikely the damage would have happened in transit.

Putting things right

MBFS should remove the £35 charge they have asked Mr F to pay for refurbishment of the quarter panel.

My final decision

For the reasons I've given above I uphold this complaint in part and tell Mercedes-Benz Financial Services UK Limited to remove the charge they've asked Mr F to pay for refurbishment of the quarter panel.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 May 2022.

Phillip McMahon
Ombudsman