

The complaint

Mrs T's complaint is about charges she'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 findings. I'll explain why.

Mrs T acquired her car under a hire purchase 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 Mrs T responsible for keeping the car in good condition. She would be responsible for any damage if the car wasn't returned in the correct condition.

The damage charges that remain

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.

Wheel RHF scuff

The BVRLA standard says that scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels are acceptable. The damage in the inspector's photograph exceeds that and I think MBFS have been fair to make a charge.

Boot lid, front bumper and LH wing scratches

The BVRLA says that scratches of 25mm or less where the primer or bare metal is not showing are acceptable, provided they can be polished out. The damage in the inspector's photograph exceeds that and I think MBFS have been fair to make a charge.

Door shut inner LHF and door LHR dents

The BVRLA says that dents of less than 15mm in diameter are acceptable but I think all of these dents are in excess of that standard and a charge has been fairly made.

Mirror lamp LH

The BVRLA says minor scuff marks or scratches of 25mm or less are acceptable and I think the damage shown in the photograph exceeds that standard and the charge levied is therefore reasonable.

LH Front door, door shut inner RHF and door RHF

The BVRLA says that dents of less than 15mm in diameter are acceptable but I'm not persuaded that the photographic evidence shows that here or that the damage is in excess of MBFS's slightly more onerous standard. I think the charges should therefore be waived.

Mrs T is also unhappy about the amount of money MBFS are asking her to pay for each repair. I think the charges I've seen levied are in line with others I've seen from their competitors and I don't think they're unreasonable.

Putting things right

MBFS should waive the charges they've made to refurbish the LH Front door, door shut inner RHF and door RHF.

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 waive the charges they have made for damage to the LH Front door, door shut inner RHF and door RHF.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 1 June 2022.

Phillip McMahon
Ombudsman