

The complaint

Mr A'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, whilst I know it will disappoint Mr A, I agree with the investigator's findings. I'll explain why.

Mr A acquired his 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 Mr A 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.

The damage charges that remain

MBFS have their own vehicle return standards (VRS) but 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). I understand that MBFS aren't members of the BVRLA but I think it's only fair to consider that standard in tandem with the VRS when considering if the damage in the inspection reports can fairly be considered to be beyond normal wear and tear and chargeable.

Chargeable

Boot lid dented

The VRS says the dent is acceptable if less than 13mm and the BVRLA is a little more lenient. It suggests dents up to 15mm are reasonable as long as the paint surface isn't broken. I think the dent shown in the photograph is in excess of both of those standards and is reasonably chargeable.

Door left hand front dented

I think the paint surface is broken and the damage is therefore beyond what could be considered fair wear and tear, as I've explained above.

Door left hand rear dented

The dent is more than 15mm and is beyond what could fairly be considered wear and tear.

Door right hand front scratched

The BVRLA guidelines state, “*surface scratches of 25mm or less where the primer or bare metal is now showing are acceptable provided they can be polish out. A maximum of four surface scratches on one panel is acceptable.*”

And the VRS says, “*Any chipping and scratching of paintwork that has penetrated the base coat and/or has caused corrosion of any kind which cannot be polished out is not acceptable*”.

There are several scratches here and as one is longer than 25mm I think the charge is reasonable, I don't think it's likely that sort of damage could be polished out acceptable either.

Quarter panel left hand rear scratched

There's an extensive scratch on this panel that is beyond what would be considered fair wear and tear, as explained above.

Quarter panel right hand rear scratched

There's an extensive scratch on this panel that is beyond what would be considered fair wear and tear, as explained above.

Tyre left hand front gouge and tyre right hand front gouge

The BVRLA guidelines state, “*there must be no damage to sidewalls or tread*” and similarly the VRS says, “*Any gouge, crack, cut, torn or plugged tyre side wall is not acceptable*”.

There's damage to the sidewalls evident in the photographs so the charges are reasonable.

Wheel right hand rear spoke damaged

The BVRLA guidelines state, “*any damage to the wheel spokes, wheel fascia, or hub of the alloy wheel is not acceptable*” and “*scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels are acceptable*”.

The VRS says, “*Dents on the wheel rims and wheel trims are not acceptable. Chips, scratches or scuffs up to 50mm on the total circumference of the wheel are acceptable, providing they can be repaired to a professional standard. Any damage to the wheel spokes, fascia or hub of the alloy wheel is not acceptable. There should be no rust or corrosion on the alloy wheels.*”

There's damage to the spokes on the right hand rear wheel so I think a charge is reasonable.

Not chargeable

Left hand rear, left hand front, and right hand front wheel damage

I don't think the photographs demonstrate the damage is in excess of the guidance I've already set out above. I think these charges have been unfairly applied and should be removed.

The investigator has explained that MBFS said it would only charge Mr A for damages identified in both reports (completed on collection and at the auction site). But it's levied charges for the left hand front and rear doors and for the left hand rear quarter panel. Whilst these charges are evidenced in the photographs I don't think it would be fair to charge the full fee where MBFS's comments have been misleading. In the circumstances, I'd agree with the investigator that MBFS should charge 50% of the amount due for those issues.

Putting things right

MBFS should put things right in the way I've set out above.

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 charges they applied for damage to the left hand rear, left hand front, and right hand front wheels.
- Reduce charges for the left hand front and rear doors and for the left hand rear quarter panel by 50%.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 August 2022.

Phillip McMahon
Ombudsman