

## **The complaint**

X'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 X, I agree with the investigator's findings. I'll explain why.

X acquired his car under a hire 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 X 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.

MBFS have agreed to reduce charges to £1,073.98. X disputes those charges and has explained that he was able to track the movements of the car after it left him and that he noted it had travelled extensively before the second inspection was completed. It's his suggestion that at least some of the damage may have been incurred between the first and second inspection.

I'm not persuaded that's most likely. I say that because I think it's more likely that damage would occur in the two years X had the car than in the six days between inspections.

I'll consider each area of damage and compare it to the standards.

## ***Two damaged alloys needing refurbishment (£110 each)***

The VRS says '*minor scuffing or damage under 25mm to the vehicle alloy or steel rim edge or wheel face is acceptable*'.

The BVRLA is more generous and says, *“Scuffs up to 50mm are acceptable”*.

The photographs of the damage show the scuffing is in excess of the more lenient BVRLA guidance and I therefore think the charges are fair.

***Two alloys needing replacement (£232.77 each)***

I think the damage is in excess of the BVRLA guidance I’ve set out above. It’s also more serious as I can see metal has been displaced. In those circumstances I think MBFS have been fair to charge to replace rather than repair the alloys.

MBFS were wrong to suggest the charge was for refurbishment of these alloys when they issued their final response to X. It’s clear from the invoice and the inspection report that they were to be replaced.

I think the charge is reasonable, but I think MBFS should compensate X for the distress and inconvenience caused by the inaccurate information they provided. In the circumstances I would agree with the investigator that £100 is sufficient.

***Wrong tyre (£149.22)***

The VRS says that *‘your vehicle must conform to the original specification of the vehicle. It must have matching tyres’*.

I think that’s in line with the BVRLA guidance and I therefore think the charge was reasonable.

***Tyre gouge (£149.22)***

The VRS says *‘any gouge, crack cut, torn or plugged tyre side wall isn’t acceptable’*.

I think that’s also in line with the BVRLA guidance and I therefore think the charge was also reasonable.

***Right hand front door dent (£90)***

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.

I think the inspection reports show this dent to be in excess of both standards and therefore fairly chargeable.

***Putting things right***

So, I think the charges MBFS are now seeking payment for are fair, but I think they’ll need to provide some compensation for the distress and inconvenience caused.

***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 pay X £100 to compensate him for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I’m required to ask X to accept or

reject my decision before 11 August 2022.

Phillip McMahon  
**Ombudsman**