

The complaint

Mr R is unhappy with the charges Close Brothers Limited ("Close Brothers") applied, when he handed back a car he acquired under a conditional sale agreement.

What happened

In September 2019, Mr R entered into a four-year conditional sale agreement to acquire a used car. In September 2021, Mr R applied for a voluntary termination. Close Brothers accepted this. The car was collected on 13 September 2021 by Close Brothers' recovery agents – who I'll refer to as B.

B issued a report on the condition of Mr R's car when it collected it. It said the following damage was outside of fair wear and tear and considered chargeable:

1. Rear panel – scratch/paint defect over 125mm - £114.80
2. Rear quarter panel/ rear wing – dent greater than 100mm - £114.80
3. Rear bumper – scratch/paint defect over 125mm - £97.30
4. Outside front wheel – damage more than 100mm - £40.95
5. Outside rear wheel – damage more than 100mm - £40.95
6. Nearside front wheel - damage more than 100mm - £40.95

Mr R complained to Close Brothers and provided it with pictures to show some of the damage identified was pre-existing. Close Brothers reviewed the pictures and removed the charges for the rear bumper and the outside front wheel. However, Mr R remained unhappy about the remaining charges which totalled £311.50. So he complained to Close Brothers.

In December 2021, Close Brothers looked into Mr R's complaint. It said the charges had been applied correctly and Mr R hadn't provided any supporting information to suggest the outstanding damage was present at the point the car was supplied to him.

Mr R disagreed and referred his complaint to this service. He said the outstanding charges were for damage which was present when the car was supplied to Mr R and he felt the charges had been unfairly applied to a car which was 11 years old.

One of our investigators looked into the complaint. She thought Close Brothers had fairly applied the charges for the offside rear wheel alloy and the nearside front wheel alloy. However, she thought the rear panel damage was consistent with wear and tear for a car which was 11 years old and so asked Close Brothers to remove this charge. She also asked it to remove the charge for the rear quarter panel/ rear wing dent as she didn't think the picture B had provided clearly showed damage to this area.

Mr R agreed with our investigator. However, Close Brothers disagreed. It said the pictures B had provided as part of its report showed that there was damage to the rear panel and rear quarter panel/ rear wing. It also said B's inspector was a specialist and this should be taken into consideration.

As Close Brothers remains in disagreement, the complaint has been passed to me to decide.

As Mr R agreed with our investigator that the charges for the outside rear wheel alloy and nearside front wheel alloy are fair, I haven't considered these charges as part of this 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.

I've considered Close Brothers' comments about B's inspector being a specialist. Whilst I appreciate and accept this, when reaching my decision, I'm required to consider relevant industry guidance. Here, relevant guidance includes the guidelines on fair wear and tear published by the trade body, the BVRLA. This guidance is generally intended for the return of new cars at the end of the first leasing cycle.

In this case, the car Mr R acquired was nine years old and had travelled around 106,000 miles at the point it was supplied to Mr R. So whilst I'll consider the BVRLA guidance, I'll also think about what's fair and reasonable for a car of this age and mileage.

Rear panel

B's condition report identified a scratch over 125mm on the rear panel.

For scratches the body and paint of a car, the BVRLA says:

"Surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out. A maximum of four surface scratches on one panel is acceptable".

I've looked at the picture provided by B to show the scratch to the rear panel. I'm satisfied the scratch is more than 25mm and a ruler has been used to measure this. However, given the car was 11 years old at the time of inspection, I think it's reasonable to assume that it may have a couple of scratches through wear and tear. Here, the picture provided by B shows a faint scratch and doesn't show clearly whether the primer or bare metal is showing. In light of this, I don't think it's fair for Close Brothers to charge for the damage to the rear panel.

Rear quarter panel/ rear wing

B's condition report identified that the rear quarter panel/rear wing had a dent that was more than 100mm.

In relation to dents, the BVRLA says:

"Dents of 15mm or less in diameter are acceptable provided there are no more than two per panel and the paint surface is not broken".

I've looked at the picture provided by B to show the dent to the rear quarter panel/rear wing. It appears there is a line in front of where the ruler has been placed. However, it's unclear whether this is a dent or whether it's the shadow of the ruler placed against the panel/wing. Given it's unclear, I don't think the picture provided by B clearly shows that there is a dent on the rear quarter panel/rear wing. And so, it follows that I don't think it's fair for Close Brothers to charge Mr R for this damage.

Overall, for the reasons mentioned above, I don't think it's fair for Close Brothers to charge Mr R for the damage to the rear panel or the rear quarter panel/ rear wing.

My final decision

My final decision is that Close Brothers Limited should remove £229.60 from Mr R's outstanding invoice for damage charges.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or

reject my decision before 3 August 2022.

Sonia Ahmed
Ombudsman