

The complaint

Mr M complains that Mercedes-Benz Financial Services UK Limited (MBFS) overcharged him for damage to a car he returned at the end of a finance agreement.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the 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 conclusions reached by the investigator for the following reasons:

Mr M entered into an agreement under which he agreed to pay for any damages which fell outside the vehicle return standards. These were detailed in the agreement he signed and are broadly in line with the industry standards as set out in the British Vehicle Rental and Leasing guidelines.

The question whether MBFS applied those guidelines fairly. The car was collected and it would appear that it was given a superficial examination at that point and the agent suggested the car was fine. He took it to his home and kept it there overnight and returned it to the collection centre the following day. It was at this point the car was given a full examination. The inspector identified 15 areas of damage and the disputed charge comes to £2,220.

Each area of damage has been photographed at close quarters and this has allowed our investigator to review each charge. I have also reviewed each photo and have reached the same conclusion as our investigator. I will not repeat the details of each area of damage as that has already been set out by our investigator in his view letter.

I agree that the charges for the left door mirror, the tailgate, the right rear quarter panel and the right front door cannot be sustained by the evidence shown in the photos and so those charges should be removed.

I am satisfied that the other 11 areas of damage are outside normal fair wear and tear. I appreciate Mr M feels that most of the damage is down to wear and tear and should not be chargeable. However, the definition of fair wear and tear used by MBFS and the industry sets a higher standard. I have also noted that the car was one year old when he acquired it so it will have had some wear and tear at that point. However, there are objective standards by which one must judge the damage and I am satisfied that 11 areas are damaged beyond what is acceptable.

I appreciate that the car was not properly inspected by the agent who collected it, but

charges are based on a detailed inspection carried out at the reception centre. I have noted that the car was left overnight at the house of the agent, but I cannot say that all the damage would have happened then. I am aware that Mr M has said he had the alloys replaced and I can see that the scuff marks on the rim look to be relatively recent, but there is a fairly deep mark on the spoke which looks older and so I cannot say that this should be removed from the charges.

I appreciate that Mr M will be disappointed by my decision, but the evidence I have seen only allows me to require four of the charges to be removed.

Putting things right

The damages charge should be reduced as set out below.

My final decision

My final decision is that I uphold this complaint and I direct Mercedes-Benz Financial Services UK Limited to remove the following charges:

- left-hand door mirror housing for £70
- tailgate for £90
- right-hand rear quarter panel for £35
- right-hand front door for £90

It should also apply the 10% discount it offered earlier to the remaining sum due.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 August 2022.

Ivor Graham
Ombudsman