

The complaint

Mr R complains about charges PSA Finance UK Limited (trading as Free2MoveLease) told him to pay when his hire agreement ended.

What happened

In June 2018 Mr R entered into a hire agreement for a new car. Shortly before the end of the three-year hire period, PSA got in touch with him to arrange for the car to be inspected and collected.

The car was inspected in June 2021. The inspection report noted the following damage:

Area	Damage	Cost
Front Door Mirror Ind L	Cracked	£35.06
Front Door L	Dull Paint	£122
Rear Door L	Dull Paint	£122
Quarter Panel L	Preparation Marks	£122
Rear Bumper	Dirt In Paint	£75
Rear Door R	Paint Run	£122
Front Door R	Dent	£152
Front Alloy Wheel R	Scuffed	£65

The report said the total cost of repairs would be £815.06. PSA then sent Mr R an invoice for these damages.

Mr R says he accepted three of the charges for damage to the car, totalling £252. But he disputed the other five charges for unacceptable repairs and paintwork. PSA offered to take off £122 for the poor repair - and to reduce the charges for the bumper and door dent by 50%. But Mr R still thought this was more than he should have to pay.

PSA sent their final response to Mr R's complaint on 13 September 2021. They said the disputed charges related to repairs that had been carried out to an unacceptable standard. PSA invited Mr R to send them a copy of the repairs invoice if this showed the work had been done by an approved repairer. And they agreed to honour their previous offer to reduce the charges by £235.50.

Mr R brought his complaint to our service. He told us he'd never had an accident, or had any repairs done, in the time he'd had the car. He thought the faults must have been present when the car was delivered to him - and that he wouldn't have noticed them.

Our investigator compared the photos of the damage detailed in the inspection report to the industry standard - the fair wear and tear guidelines published by the British Vehicle Rental and Leasing Association (BVRLA). The investigator thought the charges for the front and rear left doors, left quarter panel, rear right door and rear bumper hadn't been applied correctly – and that these should be removed from PSA's invoice.

PSA provided clearer copies of the photos of the front and rear left doors, left quarter panel, rear right door and rear bumper. Our investigator still wasn't persuaded they showed damage that fell outside the BVRLA standards – and noted Mr R said he hadn't had the car repaired or resprayed. So the investigator thought PSA should remove the charges for these repairs.

PSA asked for an ombudsman to review the case.

My provisional decision

I issued a provisional decision, in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr R complains about a hire agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr R's complaint about PSA.

Mr R has told us he accepts three of the damage charges, totalling £252, which he hasn't yet paid. Although the main area of disagreement in this case relates to bodywork repairs which PSA say haven't been completed to an acceptable standard, for the sake of clarity I've considered all the damage charges set out in the inspection report.

PSA have provided a copy of the hire agreement Mr R signed on 20 June 2018. I've read this carefully, to see what kind of damage PSA could charge him for. Section five of the agreement sets out Mr R's responsibilities for care of the vehicle. I've seen that this includes a requirement to "Keep the vehicle in good condition".

"Good condition" is defined in Schedule 1, which says: "The vehicle will be deemed to be in good condition for the purposes of this agreement if it is undamaged and has no abnormal wear and tear as defined below". This "Good Condition Guide" goes on to explain what things will be considered abnormal wear and tear. I've compared this to damage detailed in the inspection report supplied by PSA, dated 17 June 2021, and photos taken at the time.

I've also looked at the fair wear and tear guidelines published by the British Vehicle Rental and Leasing Association (BVRLA). I consider these guidelines to represent good practice across the industry, giving descriptions of what should be accepted as fair wear and tear when a vehicle is returned.

General Damage – total charge £252.06

1. Front door mirror indicator left - cracked

The Good Condition Guide says:

"Any broken part is deemed abnormal".

In relation to lamps and lenses, the BVRLA guidelines say:

"Holes or cracks in the glass or plastic covers of the lamp are not acceptable."

I've seen a photo of this mirror indicator– and I can clearly see at least one crack across the glass or plastic cover of the light.

Front door right – dent

The Good Condition Guide says:

“Multiple dents in any one panel and any dent greater than 10 millimetres in diameter on the bonnet, boot, roof or above the body moulding lines on the side of the vehicle is considered abnormal”.

The BVRLA guidelines say:

“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 seen photos of the front right door. In at least one of these photos I can see a dent at the edge of the door, with a ruler and lined card positioned nearby to show the size of the indented area. I’m satisfied that this dent is more than 15mm in diameter.

2. Front alloy wheel right - spoke damage/scuffed

The Good Condition Guide doesn’t specifically comment on alloy wheels. The BVRLA guidelines say:

“Any damage to the wheels spokes, wheel fascia or hub of the alloy wheel is not acceptable.”

The photo I’ve seen clearly shows damage to the spoke of the wheel.

Having reviewed the photos, I’m satisfied the damage to these areas of the car would be considered more than fair wear and tear. So, I consider the charges PSA applied for these damages to be fair and reasonable.

Poor Repairs – total charge £563

The Good Condition Guide says:

“Any substandard repair constitutes abnormal wear and tear.”

The BVRLA guidelines say:

“Obvious evidence of poor repair, such as flaking paint, preparation marks, paint contamination, rippled finish or poorly matched paint, is not acceptable”.

1. Rear door right – poor repair/paint run

The photos of this door show a paint run on the wheel-arch edge. I find this to be clearly evident – and I’m satisfied this shows a poor repair has been carried out here.

2. Rear bumper – dirt in paint

I’ve closely examined the photo of the rear bumper, where I can see evidence of dirt in the paint. And I do think this shows a poor repair has been carried out in this area.

3. Quarter panel left – poor repair/preparation marks

Having examined the photos, I can see clear evidence of preparation marks at the bottom of the left quarter panel. So again, I consider this to show evidence of a poor repair having been carried out.

4. Front door left – poor repair/dull paint

I've closely examined the photo of this door. I note these photos were taken on a bright day, and the light appears to be reflecting off the bodywork here. I can't see evidence of dull paint.

5. Rear door left – poor repair/dull paint

I've carefully considered the photo of this door. Although I don't find this photo to have issues with reflections, I can't see evidence of dull paint in this area.

Having reviewed the photos, I'm not persuaded they show evidence of a poor repair having been carried out to the front or rear left doors. So I don't consider it fair for PSA to charge Mr R for damage to those areas.

But I'm satisfied that the right rear door, rear bumper, and left quarter panel show evidence of poor repairs. I've gone on to consider whether it was fair for PSA to charge Mr R for this.

Mr R says he's never had any repairs carried out or made any insurance claims while he's had the car. He says the issues with the paintwork were difficult to see with the naked eye – and that the inspector used a special tool to identify shading in the paint. Mr R says these faults must have been present when the car was delivered to him, and he didn't notice them. I've given careful thought to the points he's made.

I appreciate Mr R feels strongly about this issue. But where the evidence isn't conclusive, or the parties disagree about what it shows, I have to consider what's most likely to have happened.

The hire agreement Mr R signed on 20 June 2018 shows the car was first registered on that day – and that it was described as new. I've also seen a copy of the vehicle delivery note, which records Mr R having received the car with a delivery mileage of 5 miles.

I appreciate Mr R may not have seen signs of poor repairs on the car. But I do consider the evidence of poor repairs to the right rear door, rear bumper, and left quarter panel to be clearly visible to the naked eye. And I've seen no evidence to suggest the car had been repaired before it was first registered and handed over to Mr R.

For these reasons, on balance, I consider it unlikely that the poor repairs had been carried out before the car was delivered to Mr R. So, I don't think PSA acted unfairly by charging him for this when the contract came to an end.

Putting things right

Based on the evidence I've seen so far, I consider the following charges to have been fairly applied:

- Front door mirror indicator L;*
- Front door R;*
- Front alloy wheel R;*
- Rear door R;*
- Rear bumper;*
- Quarter panel L.*

But I'm not persuaded that it was fair to charge Mr R for damage to the front and rear left doors. So I think PSA should remove these charges from their invoice.

As I'm not satisfied that all the charges PSA applied were fair, I don't consider it unreasonable for Mr R to refuse to pay their invoice in full. So if any adverse information has been recorded on his credit file about this, I think it should be removed.

I said I intended to uphold Mr R's complaint, and direct PSA to remove the following charges from their invoice:

- Front door L £122;
- Rear door L £122;

And to:

- remove any adverse information from Mr R's credit file in relation to the damage charges.

I invited both parties to send me any further information or comments they'd like me to consider.

Responses to my provisional decision

Mr R said he'd never disputed the charges of £252, but he wasn't prepared to pay charges for substandard repairs that weren't his responsibility.

Mr R stressed that the car hadn't been repaired while he'd had it. He said the inspector told him vehicles are sometimes damaged prior to delivery and quickly "touched up" – and that he believed this is what had happened here.

He said it was difficult for him to prove that he hadn't had the car repaired. He suggested we check this with his insurance company or the garage he uses for bodywork repairs. And he offered to share his financial records if that would help.

PSA didn't respond.

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'm grateful to Mr R for taking the time to respond to my provisional decision. I've given careful thought to everything he's told us.

I appreciate Mr R believes the car must have been damaged before it was supplied to him – he says the inspector suggested this sometimes happens. But I haven't seen any supporting evidence about this.

I realise Mr R feels very strongly about this issue. But as I haven't seen any supporting evidence to show the car was already damaged when it was supplied to him, I'm not persuaded that I should depart from my provisional findings.

My final decision

For the reasons I've explained here, I uphold this complaint and direct PSA Finance UK Limited to remove the following charges from their invoice:

- Front door L £122;
- Rear door L £122;

and to:

- remove any adverse information from Mr R's credit file in relation to the damage charges.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 30 August 2022.

Corinne Brown
Ombudsman