

The complaint

Ms N complains about the end of contract charges in relation to a car that was supplied through a hire purchase agreement with PSA Finance UK Limited (PSA).

Ms N is being represented on this complaint, but to keep things simple I'll refer to Ms N throughout my decision.

What happened

In December 2017 Ms N acquired a used car through a hire purchase agreement with PSA. The purchase price of the car was £8,990. Ms N made an advanced payment of £1,000 so the total amount financed on this agreement was £7,990 payable over 48 months.

Ms N said that in March 2021 her car was collected by PSA representatives. Ms N says she left the service booklet in the glove compartment along with the three-year service history. However, PSA wrote to her advising the service booklet wasn't provided along with proof of service history and included them within the end of contract charges, totalling £1,677.

In March 2021, PSA issue their final response to Ms N's complaint. PSA said they removed some of the charges from the outstanding balance due to lack of evidence and removed a further missing service charge as only three services were due in the time Ms N had the car. So, the remaining balance was £1,002.

Unhappy with PSA's response, Ms N brought her complaint to this service for investigation. Ms N said she paid PSA £415.34 for the damages, wear and tear and excess mileage charges, but Ms N refused to pay for the remaining charges for missing services which she says were carried out on the car.

Ms N said that following a further review of the charges PSA reduced the outstanding balance to £300. PSA said they did so in acknowledgement of the difficulties Ms N experienced during the Covid-19 lockdown and that they weren't present when the car was collected. They advised they couldn't repatriate service histories with uplifted cars due to them being sent to auction.

Ms N said she provided PSA with proof of the services carried out which PSA acknowledged in an email dated 15 April 2021. However, PSA said the evidence should have been provided to the inspector on collection. Ms N said due to her vulnerability with Covid-19 she was unable to hand the booklet directly to the collecting agent. PSA said they weren't told the service booklet was in the glove compartment until they'd issued their final response to the complaint.

Having considered all of the evidence, our investigator said that based on the evidence provided PSA had acted fairly in how they applied their charges for Ms N, so didn't ask them to do anything more.

Unhappy with the investigator's view, Ms N asked that her complaint be referred to an ombudsman for a final 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The agreement in this case is a regulated hire purchase agreement. As such, this service is able to consider complaints relating to it.

My starting point is that Ms N was presented with end of contract charges which she disputed in part. Ms N says she accepted the charges for fair wear and tear and excess mileage so paid £415.34 to cover them. However, Ms N disputes the charges that were applied for the missing services documentation. So, I've focused my decision on the disputed element of the charges.

Fair wear and tear guidelines have been issued by the British Vehicle Lease and Rental Association (BVLRA), and these are accepted as an industry standard in determining whether any damage goes beyond fair wear and tear on passenger cars, when they are returned at the end of a finance agreement. So, I've considered these standards when thinking about what's fair and reasonable.

The BVRLA says *'the service book... must be present and date stamped by the repairer or workshop as evidence that the services have taken place'*.

The BVRLA guidance is supported by the terms and conditions of Ms N's finance agreement which says: *'It is your responsibility to ensure that the repairer stamps the vehicle's service book each time the vehicle is serviced (the service book must be returned to us on the day of collection if the vehicle is recovered by us).'*

In addition to the guidance above, in correspondence PSA sent Ms N prior to the collection of her car, dated 11 February 2021, they advised: *'on the day of return, please make sure you have all the documents and everything that needs to be returned with the vehicle, including the V5 registration document, completed and stamped service history, MOT certificate if appropriate'*. The letter also set out details of the charges which were consistent with the amount PSA were requesting.

Ms N says the service booklet was in the glove compartment along with the service information. However, Ms N says she wasn't able to hand the documents and paperwork to the collecting agent because of her vulnerabilities in relation to Covid-19. Ms N said she told the inspector where she'd put them.

I don't doubt what Ms N has said, however PSA said they were only made aware of the issue with the service documentation after they'd issued their final response to Ms N's complaint. I also haven't seen any evidence that PSA were made aware of it any sooner or that it was included as part of Ms N's initial complaint to them. I can see that PSA pointed

this out in their email to Ms N dated 12 April 2022. They also advised they hadn't been able to fully investigate the circumstances as they weren't made aware it sooner.

As Ms N didn't raise the issue of the service booklet, despite being charged for it, I don't think it's reasonable to expect PSA to be able to fully investigate the matter, for example by obtaining comments from their collection agents. In addition as I've no evidence, besides what Ms N has said to our investigator about what took place at the point of collection, I'm not persuaded that the collection agents have acted unfairly or that Ms N is being unfairly charged for the missing items.

Following Ms N's complaint to them, I can see that PSA reduced the outstanding charges further by half, as a gesture of goodwill in recognition of the situation Ms N was in.

I'm satisfied that PSA have acted fairly in the circumstances. Ms N hasn't provided any evidence that the service documentation was provided at the point of collection to the inspector. And as the information was only presented to PSA after the complaint was responded to, PSA had already taken certain actions, for example by having the car uplifted and taken to auction. There's every chance they may have had to absorb related costs for missing documentation. I acknowledge Ms N has been able to provide evidence that services were carried out, however, this was after the car had been collected and likely to have been after the car had been processed further towards auction.

Having considered all the information provided, I think PSA have acted reasonably by reviewing the charges and removing the ones which were lacking the photographic evidence and further reducing the disputed charges by half. I recognise Ms N's strength of feeling about the situation. However, as per the industry guidance, along with the information that was given to Ms N, I'm satisfied PSA has acted fairly in the circumstances of this complaint.

My final decision

Having thought about everything above along with what is fair and reasonable in the circumstances I don't uphold Ms N's complaint about PSA Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 16 December 2022.

Benjamin John
Ombudsman