

The complaint

Mr W complains about charges when he returned his car at the end of a hire agreement provided by Mitsubishi HC Capital UK Plc trading as Novuna Vehicle Solutions ("NVS").

What happened

In April 2019, Mr W acquired a new car using a hire agreement with NVS. The agreement was taken over 36 months, with an initial payment of £809.96, followed by 35 monthly repayments of £269.99.

When Mr W's agreement came to an end, he handed the car back. When the car was collected, it was inspected for damage by a third-party company who acted as collection agents for NVS. NVS say the inspector who carried out the inspection would have been trained to the British Vehicle and Rental Leasing Association ("BVRLA") fair wear and tear guideline standards.

NVS then told Mr W he owed £305 for damage to the car. This consisted of:

<i>Dent and paint damage to bonnet</i>	£60
<i>Dent to left front wing</i>	£60
<i>Corrosion/rust to alloy wheel</i>	£65
<i>Dent and pain damage to the left B post</i>	£60
<i>Dent to the right front wing</i>	£60
TOTAL	£305

Mr W was unhappy with this and complained to NVS. NVS issued their final response to the complaint in May 2022. They said, in summary, that they thought the damage charges had been fairly applied.

Mr W remained unhappy and referred his complaint to our service. He said that he accepts that one of the charges had been fairly applied but disagreed with the other damage charges. He also supplied us with comments given to him from a third-party alloy wheel repair specialist which said that they don't believe the damage to the wheel to be corrosion.

Our investigator issued an opinion. This explained, in summary, that he thought Mr W had been incorrectly charged for the damage to an alloy wheel, but said he thought it was fair for NVS to charge for the other damages. So he asked NVS to remove the charge of £65 for the alloy wheel.

NVS agreed with the investigator's findings but Mr W disagreed. He said that he was happy to accept the damage charge to the right wing, but felt the guidelines are being applied too strictly for the remaining damage charges.

As Mr W disagreed with the investigator's findings, the case has been passed to me to decide.

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'm upholding this complaint and I'll explain why below.

I want to reassure Mr W that I've carefully considered everything he's said in relation to this complaint and all the points he's raised. Where I haven't specifically commented on something below, this is because I'm focussing on what I consider to be the key points and the crux of the complaint.

Mr W complains about a car supplied under a hire agreement. Entering into consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr W's complaint about NVS.

Mr W has complained about various damage charges on the returned vehicle. I'll consider these in turn. But I've firstly thought about whether Mr W agreed to be held responsible for damage to the car. The terms of the agreement Mr W entered into says:

"You agree... to keep the Vehicle in good condition and repair. You will be responsible to us for any damage caused to or deterioration of the Vehicle otherwise than through fair wear and tear as indicated in the guidelines issued from time to time by the British Vehicle Rental and Leasing Association (BVRLA)."

So I'm satisfied Mr W agreed to keep the car in good repair and to be held responsible for any damage outside of fair wear and tear.

When considering the damages here, I've referred to the BVRLA guidance on fair wear and tear. The BVRLA says:

"Dents of 15mm or less are acceptable provided there are no more than two per panel and the paint surface is not broken. Chips within dents are not acceptable. Dents on the roof or on the swage line on any panel are not acceptable."

In relation to the damage to the bonnet, I've reviewed the photos from the inspection of the car. I can see the light is reflected in a distorted pattern which indicates to me that there are visible dents. I can see three dents along the right-hand side of the bonnet. And on at least one of those dents, I can see the paint surface is broken. I'm satisfied this area falls outside of the wear and tear guidance. So it follows I'm satisfied it's reasonable to charge Mr W for this damage.

In relation to the dent to the left front wing, looking at the photos, I can see a dent along the swage line and the paint surface is broken. As stated above, the BVRLA say dents on the swage line on any panel is not acceptable. So I'm satisfied this area falls outside of fair wear and tear and that Mr W has been charged fairly for this damage.

In relation to the left B post, looking at the photos I can see a dent. It isn't totally clear, but I'm persuaded on balance this is over 15mm. Either way, I still think NVS can charge Mr W for this area. I say this because there's also what appears to be a scratch to the paint that has gone through the paintwork and is showing the primer or bare metal. The BVRLA says:

"Surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable..."

So, given the scratch has gone through to paintwork, even if the dent is under 15mm, I still think it's reasonable for NVS to charge Mr W for a repair.

Mr W accepts the damage charge in relation to the right front wing. For completeness, I have also reviewed the photos and I'm satisfied this also falls outside of fair wear and tear and that Mr W has been fairly charged for this damage. I say this because I can see the light is reflected in a distorted pattern in two separate areas, which indicates to me that there are visible dents. One of the dents appears to be larger than 15mm in length.

In relation to the corrosion/rust to the alloy wheel, the BVRLA says:

"There should be no rust or corrosion on the alloy wheels."

It also says:

"Dents on wheel rims and wheel trims are not acceptable. Scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels are acceptable."

I have reviewed the photos provided in the inspection report and I can't see rust or corrosion to the alloy wheel. I can see what I think is a scuff to the wheel, approximately 30mm in length. And I consider this to be within the BVRLA fair wear and tear guidelines. So, I don't think it is fair Mr W should be charged for this.

Considering everything here, I think NVS has wrongfully charged Mr W for the damage to the alloy wheel and fairly applied the BVRLA's fair wear and tear guidelines in the other areas being charged which I have looked into.

My final decision

My final decision is that I uphold this complaint and I instruct Mitsubishi HC Capital UK Plc trading as Novuna Vehicle Solutions to:

- Remove the £65 charge for the alloy wheel, leaving Mr W with outstanding damage charges of £240 left to pay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 8 December 2022.

Ronesh Amin
Ombudsman