

The complaint

Mr G complains about the charges he incurred when he returned the car he acquired through a hire agreement with Mercedes-Benz Financial Services UK Limited ("MBFS").

What happened

Mr G acquired a car financed through a hire agreement with MBFS. He said he has leased several cars over the last 20 years without any cause for concern. At the conclusion of this agreement with MBFS he arranged for the car to be inspected and collected from his home address. Mr G said he requested to alter the time of inspection by half an hour, but this was refused so he said he couldn't be present when the car was inspected. He said the car was inspected by one party and collected by a second party less than an hour later.

Mr G said the woman that collected his car asked him about the inspection. He said when he explained that he wasn't present and that his wife had been in the house attending to their children the woman warned him there would be a bill for alleged damages. He said only half an hour later he received an invoice for £2,146.79 listing several items of damage which he immediately disputed.

Mr G said the car had been professionally valeted a few days before it was returned, and it was in great condition with no concerns. He said he was so shocked at the invoice he immediately called the inspector's mobile number, but the inspector failed to answer. He said the inspector didn't call him back despite Mr G calling several times within usual business hours and on a Saturday, and despite him leaving messages. Mr G said he wanted to see the damage he was being charged for and to seek a second opinion. He complained to MBFS.

In its final response MBFS listed the damage. The list included:

- Parcel shelf/load cover – broken - replace £520.79
- Bumper front - scratched over 50mm - refinish £210.00
- Door left hand front - scratched greater than 25mm through - topcoat refinish £210.00
- Door left hand rear - scratched greater than 25mm through - topcoat refinish £210.00
- Left hand rear - long crease in the door shut - based on their response the charge of £130.00 remains payable.
- Door pad left hand rear - cut up to 5mm - replace £415.50
- Boot lid pad - cut between 5mm & 10mm - specialist repair £35.00
- Door pad right hand rear - cut up to 5mm - replace £415.50
- Door shut inner left-hand rear - dented 15mm to 50mm - local repair and paint £130.00 - *Credit rejected*. MBFS said it requested a credit for the left hand rear inner door shut as it didn't think the image supported the charge. This was rejected after its specialists reviewed the image.
- *Wheel left hand front - rim damaged Over 50mm refurbishment £110.00 – credited, damage not evident on image.*

MBFS said all the damages except the left-hand front wheel were outside of its Vehicle Return Standards and that its prices are bench-marked against industry standard guidelines and would stand up to independent scrutiny.

Mr G didn't agree and brought his complaint to this service. He said the car had been treated well and within the guidelines of the lease agreement and returned with less miles than expected. He said the car had had new tyres fitted prior to return, and he argued that this would have significantly increased the secondhand car valuation. Mr G said MBFS didn't offer any solution and insisted their invoice be paid without proof other than a few photo's, which, he argued, could've been of any car. Mr G said MBFS failed to return the car and to support evidence of its claim. He asked for the charges to be cancelled and for compensation for the distress and inconvenience caused. He said his wife had been upset as she felt the inspector bullied her into opening the car even though she told him several times that the car was not hers and she was looking after the children.

Our investigator examined the photos provided by MBFS. He concluded that the charges were justified, and that it wasn't unreasonable for MBFS to charge for this. Mr G asked for a decision from an ombudsman. In summary, he said there was no real evidence of damage to his car and it was inspected without a witness.

I issued a provisional decision on 4 October 2022. I said:

In its final response MBFS has said that most of the damage listed was outside of its Vehicle Return Standards and was therefore chargeable. MBFS provided us with a link to the damage report for Mr G's car. Unfortunately, this link expired prior to my engagement on this case. On 3 August I requested the following information from MBFS to assess whether these charges were fair and reasonable:

- *a new link to the damage report and photos.*
- *confirmation that the car in the photos (which I haven't seen) is Mr G's, as he disputed it was his car.*
- *the contact notes between MBFS and Mr G, and between MBFS and the company that collected the vehicle, including notes in relation to arranging to inspect and collect the vehicle.*

I also asked MBFS to respond to several comments Mr G made on the complaint form to this service concerning how the car was inspected and collected.

These comments were:

"My car was collected even though I told Mercedes that I would not be home to go through the condition of the vehicle prior to its collection, they refused to alter the time by half an hour which was disappointing."

"I was not present when my car was inspected by BCA and was collected by a different company less than an hour after it was inspected when I had returned home. The lady that collected my car asked me about the inspection, when I explained that I was not present and that my wife was in the house attending the four children she warned me there will be a bill for alleged damages. Literally half an hour later around 2.30pm an invoice was received showing a list of alleged damage to the car, all of which are not true."

"...distress, inconvenience and waste of time along with upsetting my wife as she feels the man bullied her in opening the car even though she told him several times that the car was not hers and she was looking after the young children."

"Mercedes sent a third party company to inspect my car without prior warning or explanation that some bloke will be looking at the vehicle to try and find faults, they did not offer anyone else to be there independently or likewise allow me to attend the inspection at a convenient time. I also wonder why was a third party from an auction company even inspecting my car."

I didn't receive a response to any of my questions or the comments by Mr G, so I asked again on 7 September. Unfortunately, again I didn't receive a response.

Mr G has provided testimony that the damage MBFS has reported on the car was not there when he had the car inspected on his driveway. He argues that he wasn't given the opportunity to change the appointment time and so was unable to be present at the inspection. He said his wife was bullied into opening the car and wasn't present for the inspection because she was dealing with the children. He has said he tried many times to contact the inspector immediately after receiving the list of damages without success. He also claims that he was told by the woman who collected the car to expect an invoice for alleged damages. It appears this comment was based on Mr G telling the woman that he wasn't present for the inspection.

As I haven't been provided with the damage report and photographic evidence of the damage, I'm unable to assess if the charges are fair or reasonable. I think it would be unfair to Mr G for me to assume the damage was as described when MBFS hasn't provided the evidence to me, requested on two occasions. So subject to any further information I might receive from either or both parties I'm minded to instruct MBFS to waive all the charges for damage to the vehicle.

I also didn't have any response to my enquiries. So, I must rely on Mr G's testimony, including his attempts to rearrange the appointment, to contact the inspector and his account of what happened during the inspection. Again, I don't think it would be fair of me to dispute Mr G's testimony when I've tried to get further evidence to no avail. So, I think it likely that Mr G did make attempts to change the appointment time and contact the inspector and was concerned that he was offered no way to verify the damages at the time. Subject to any further information I might receive from either or both parties I'm minded to instruct MBFS to pay Mr G £200 in compensation for the distress and inconvenience caused.

Mr G has also complained about the prices charged for the damage and has doubted the work was done to repair the car. He said it appears the car was sold on very quickly. Unfortunately, it's not my role to investigate MBFS's processes. We are not the regulator, and we don't have a role in reviewing the adequacy of a business's processes, in this case the process for MBFS to set prices for damage or what happens to the car once it is returned to the business.

In addition, Mr G complained that MBFS has shared his private personal information to third party companies who bombarded him with calls and text messages. He said he did not offer consent and now receives hundreds of nuisance calls from random companies offering him loans etc. As this point wasn't part of the original complaint this would be considered a new complaint point. As such Mr G would have to raise a new complaint with MBFS so that it has the chance to investigate first before our service might get involved.

Subject to further information I was minded to uphold this complaint. I did not receive a response from either party.

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.

As no further information or evidence has been provided, I see no reason to depart from the conclusions in my provisional decision.

Putting things right

To put things right Mercedes-Benz Financial Services UK Limited must:

1. Waive all damage charges - £2,146.79. If Mr G has paid part or all of this then MBFS should refund it.
2. Pay Mr G £200 in compensation.
3. Remove any default markers from Mr G's credit file that may have arisen from any outstanding charges.
- 4.

My final decision

My final decision is that I uphold this complaint and Mercedes-Benz Financial Services UK Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 December 2022.

Maxine Sutton
Ombudsman