

The complaint

Mr B complains about a number of damage charges Stellantis Financial Services UK Limited (previously known as PSA Finance UK Limited) is trying to seek the recovery of from him.

What happened

In September 2018 Mr B entered into a hire agreement with Stellantis for a new car. Under the terms of the agreement Mr B agreed to pay for any damage to the car (on its return after 48 months) that was deemed to be abnormal wear and tear. Abnormal wear and tear was defined under schedule 1 of the agreement.

In June 2022 Stellantis wrote to Mr B to remind him that his agreement was coming to an end and that he would be liable for any damage found to be outside *"agreed standards"*.

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In September 2022 the car was collected and inspected by a Stellantis agent who concluded that the car's condition should be graded "U" for auction purposes and that the following (chargeable) damage was present:

dents

• dent front bonnet (repair and refinish)	£152.00
• dent front door left (repair and refinish)	£152.00
• dent front door right (repair and refinish)	£152.00
• dent c post left (repair and refinish)	£152.00
• dent c post right (repair and refinish)	£152.00
• dent rear door right (repair and refinish)	£152.00
• dent rear door left (replace)	£511.10
• dent quarter panel left (replace)	£481.88
• dent rear door moulding (replace)	£35.00
• dent roof (repair and refinish)	£250.00

scuffs

• scuffed front alloy left (alloy smart repair)	£65.00
• scuffed front alloy right (alloy smart repair)	£65.00
• scuffed rear alloy left (alloy smart repair)	£65.00
• scuffed rear door left moulding (smart repair)	£40.00
• scuffed front mirror housing left (smart repair)	£40.00
• scuffed front bumper moulding (smart repair)	£40.00
• scuffed rear bumper (smart repair)	£48.00

poor repairs

- dirt in paint front bumper (refinish) £120.00

cracks/loose fits/misalignments

- misaligned front bumper (refit) £50.00
- loose fitting quarter panel moulding left (refit) £25.00
- cracked boot lamp left (replace) £63.77
- cracked boot lamp right (replace) £91.52
- total £2,903.27

Mr B didn't believe he was liable to pay Stellantis £2,903.27. Instead, he believed he was liable to pay it £818.39 broken down as follows:

- dent front bonnet (repair and refinish) £152.00
- dent rear door left (replace) £511.10
- cracked boot lamp left (replace) £63.77
- cracked boot lamp right (replace) £91.52

In October 2022, and after Mr B had complained to it, Stellantis issued Mr B with a final response letter ("FRL"). Under cover of this FRL Stellantis said it didn't believe it had done anything wrong but as a gesture of goodwill it was prepared to stand by an earlier offer to reduce the sum it was seeking the recovery of by 25% to £2,177.46.

Unhappy with Stellantis' FRL, Mr B referred his complaint to our service where it was considered by one of our investigators. The investigator came to the view that Stellantis should cancel the following (damage) charges:

- dent front bonnet (repair and refinish) £152.00
- dent rear door right (repair and refinish) £152.00
- dent roof (repair and refinish) £250.00
- dirt in paint front bumper (refinish) £120.00
- scuffed rear door left moulding (smart repair) £40.00
- total £714.00

Mr B responded to the investigator's view to say that he was prepared to pay Stellantis £952.49 broken down as follows:

- original total invoiced £2,903.27
- charges identified by the investigator above (£714.00)
- charge for dent to rear door left (£511.10)
- deduction offered by Stellantis in October 2022 (£725.81)
- other £00.13

Mr B then notified the investigator that he was prepared to pay Stellantis £1,736.22, the breakdown of which is unclear.

Stellantis then contacted the investigator to seek clarification over her view. It said that a damage charge reduction of £714.00 was less than the reduction of £725.81 it had already offered Mr B.

The investigator contacted Stellantis to say that the damage charge reduction of £714.00 should be applied to the reduced total charge of £2,177.46 (making a total due and owing from Mr B of £1,463.46) and not the original total charge of £2,903.27 (which would leave a total due and owing from Mr B of £2,189.27).

Stellantis didn't agree with the investigator's clarified view and so Mr B's complaint was passed to me for review and decision.

I issued a provisional decision on this case in July 2023. In summary I said:

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

As I understand it both parties accept the investigator's view that £714.00 of damage charges (in respect of 5 items) should be cancelled. And for the avoidance of doubt having considered (amongst other things) the inspection report, the agreement terms and conditions and the BVRLA guidelines I can confirm I'm in agreement with such a cancellation.

Having considered (amongst other things) the inspection report, the agreement terms and conditions and the BVRLA guidelines I can confirm that I'm satisfied that the remaining 17 items constitute damage that can be fairly and reasonably described as being abnormal wear and tear or outside agreed standards and the sum that Stellantis has attributed to these 17 items isn't inappropriate. I would also add that Stellantis is under no obligation to carry out any repairs for which a consumer has been invoiced for and such a course of action doesn't relieve a consumer of their obligation (everything else being equal) to pay what they have been invoiced for.

So, what this means is that in my view Stellantis can fairly and reasonably charge Mr B £2,189.27 for damage to the car, this being £2,903.27 (for 22 items) less £714.00 (for 5 items). And because Stellantis has already agreed to reduce the sum it's seeking from Mr B to £2,177.46 I'm satisfied I can't reasonably ask it to do anymore.

Neither party responded to my provisional decision by the date given for the same.

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 neither party responded to my provisional findings I can confirm see no reason to depart from them and I now confirm them as final

My final decision

My final decision is that having agreed to reduce the sum it's seeking the recovery of from Mr B to £2,177.46 (from £2,903.27) Stellantis Financial Services UK Limited need do nothing more in respect of this complaint.

However, if Mr B is in financial difficulties I would remind Stellantis Financial Services UK Limited of its obligations to treat Mr B fairly and with due consideration and forbearance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 August 2023.

Peter Cook
Ombudsman