

## **The complaint**

Mrs G complains about the charges Mitsubishi HC Capital UK Plc, trading as Novuna Vehicle Solutions ("Novuna"), applied when she returned a car after she voluntarily terminated a hire purchase agreement.

## **What happened**

Mrs G entered into a hire agreement in December 2017; the agreement ended in March 2023 and Mrs G returned the car. She was unhappy with the end of contract charges that were applied when she returned the car.

Mrs G is represented by Mr C. Mr C told us:

- When the car was first inspected the inspector stated that there was no damage inconsistent with fair wear and tear;
- A few days later, Novuna sent her an invoice for vehicle damage totalling £335;
- she's being unfairly billed for vehicle damage that was fair wear and tear on a vehicle of its age.

Novuna rejected Mrs G's complaint. It said the car was collected on 9 March 2023 by an inspector, fully trained to the British Vehicle Rental and Leasing Association (BVRLA) under the 'Inspect and Collect' process. The inspector inspected the vehicle prior to collection and the report was used to calculate the charges for the vehicle conditions which fall outside of the defined wear and tear standard. It said this inspection identified some damages totalling more £335. Novuna reviewed the charges and agreed to remove one of them because it said although the damage was visible the inspector failed to capture the damage recorded. This left Mrs G with a bill for £275.

Novuna encouraged Mrs G to return to the BVRLA inspector with the images it provided to challenge them in respect of the inspection carried out.

Mrs G disagreed and brought her complaint to this Service.

Our investigator looked at this complaint and initially said he thought Mrs G's complaint about one of the charges should be upheld, because he didn't think the damage was clear.

Mrs G didn't agree that her complaint about the other charges shouldn't be upheld. Novuna didn't agree that one of the charges should be upheld.

Mrs G was asked to provide evidence that the BVRLA inspector had said there was no chargeable damage. Mrs G wasn't able to do this. Novuna provided a further, clearer, photograph of the area of damage to the area which our investigator thought hadn't been fairly charged.

Having seen this new image, our investigator considered that it clearly showed a scratch which was over 25mm – the size at which a business can charge for damage in the

guidance set out by BVRLA. Our investigator wrote to both parties to explain that he didn't think any part of Mrs G's complaint should be upheld.

Mrs G didn't agree with this view, so she asked for an ombudsman to review her complaint.

### 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've reached the same conclusion as our investigator and for the same reasons.

The terms and conditions of the agreement, signed by Mrs G, sets out Mrs G's obligations in terms of keeping the vehicle in good condition and repair in line with the guidelines issued from time to time by the BVRLA. It also explains that the customer will have to pay the costs of either repairing the vehicle but that if the cost is assessed as more than £150 no payment will be required. It explains that if repairs will cost more than £150, then all the costs are payable. I've read this carefully, and I'm satisfied that Mrs G was responsible for returning the car in good condition, but the question is whether all the charges applied by Novuna are fair and reasonable.

Novuna's inspection identified four areas of damage that it deemed to be unacceptable - outside fair wear and tear:

1. Dent to C post L	£60.00
2. Sill panel L – scratched through paint up to 25mm	£75.00
3. Sill panel R – multiple, scratched through paint 26-100mm	£140.00
4. B post R – multiple, minor paint damage 16-30mm	£60.00

When Mrs G complained to Novuna it accepted that the minor paint damage to B post R hadn't been correctly recorded and so it removed the charge. So, I am only concerned with charges 1 to 3.

Fair wear and tear guidelines have been issued by the British Vehicle Rental and Leasing Association (BVRLA) and these are accepted as an industry standard in determining whether any damage goes beyond fair wear and tear. So, I've taken these into account when deciding what is fair and reasonable for Novuna to charge Mrs G.

The BVRLA guidance sets out the standard regarding fair wear and tear. I've looked carefully at what it says in regard to the areas identified by Novuna. It says:

- Dents – *“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.”*
- Scratches – *“Surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out. A maximum of four surface scratches on one panel are acceptable.”*

Mrs G says that the BVRLA inspector told her in an email that the damage fell within guidelines. We asked to see evidence of that email and Mrs G responded by copying the following into an email to this service:

*“Hi [consumer's husband],*

*Having reviewed the inspection report and inspecting your vehicle yesterday (08/03/23) I can confirm that there was no damage that falls outside the BVRLA fair wear and tear guidelines that are required to meet to hand a car back at end of lease that I noticed being an accredited BVRLA inspector. [sic]"*

But Mrs G didn't provide the email this was said to have been contained in, so I can't say fairly that this is the inspector's opinion. Mrs G's husband later explained that having recontacted the inspector he was unwilling to support Mrs G. So, I don't think I can place any weight on this.

I've looked very carefully at the evidence that Novuna provided, including that provided after our investigator initially considered that the charge for the right-hand sill panel was not fair, and I'm satisfied that the areas of damage identified are indeed damaged outside fair wear and tear. The dent to the central post is more than 15mm and paintwork is missing. The scratch to the left-hand sill panel is clearly over 25mm and quite deep – it appears to show the metal. In the later image provided of the right-hand sill panel it also appears to be over 25mm.

Given all of the above, I'm satisfied that the charges Novuna told Mrs G she had to pay were applied fairly and in line with relevant industry guidance and that Novuna has acted fairly in respect of the charges it applied.

### **My final decision**

For the reasons set out above I do not uphold Mrs G's complaint. It follows that Mitsubishi HC Capital UK Plc, trading as Novuna Vehicle Solutions doesn't have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 27 May 2024.

Sally Allbeury  
**Ombudsman**