

The complaint

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

What happened

Mr F entered into a hire agreement with Novuna; the agreement ended in April 2023 and Mr F arranged for the car to be collected. He was unhappy with the end of contract charges that were applied when he returned the car.

Mr F told us:

- When the vehicle was collected he wasn't told of any damage;
- A few days later, Novuna sent him an invoice for vehicle damage totalling £685;
- he's being unfairly billed for vehicle damage that he isn't sure was present at the time the vehicle was collected.

Novuna rejected Mr F's complaint. It said the car was collected 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 at 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 £685. Novuna reviewed the charges and maintained that the charges were fair. It agreed to deduct a sum in compensation for some shortcomings in the way it handled Mr F's initial complaint.

Mr F didn't agree with Novuna's offer and brought his complaint to this Service. In addition to his complaint about the charges he also complained about Novuna's handling of his complaint.

Our investigator looked at this complaint and concluded that the charges were fair. He didn't think Mr F's complaint should be upheld.

Mr F didn't agree that his complaint about the charges shouldn't be upheld. As Mr F didn't agree with the investigator's view he asked for an ombudsman to review his 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 broadly the same reasons.

The terms and conditions of the agreement, signed by Mr F, sets out Mr F'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. I've read this carefully, and I'm satisfied that Mr F 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	£175.00
2. Dent to rear door R	£175.00
3. Corrosion to rear alloy L	£65.00
4. Corrosion to rear alloy R	£65.00
5. Corrosion to front alloy R	£65.00
6. Scratch to quarter panel R	£140.00

Mr F says that he wasn't present throughout the inspection and submits that he cannot tell whether the damage was present at the time or if it was acquired after the vehicle's collection. He hasn't explained why he wasn't present throughout the inspection, but I think it's reasonable to conclude that he had made arrangements for the vehicle to be collected in his absence, or that he left during the course of the inspection. I don't have any evidence to suggest Novuna collected the vehicle without giving Mr F the opportunity to be present, not least because Novuna would have needed to obtain the keys from Mr F.

Mr F doesn't dispute that if the damage was done while the vehicle was in his possession that he is liable for it. He hasn't provided any evidence to support an alternative finding that the damage was done after the vehicle left his possession. However, for completeness I have considered whether the charges were fair.

Fair wear and tear guidelines have been issued by the British Vehicle Rental and Leasing Association (BVLRA) and these are accepted as an industry standard in determining whether any damage goes beyond fair wear and tear.

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.”*
- Alloy wheels – *“Any damage to the wheel spokes, wheel fascia, or hub of the wheel/alloy is not acceptable. There must be no rust or corrosion on the alloy wheel/wheel hubs.”*

I've looked very carefully at the evidence that Novuna provided, including clear photographs with measurements included. Having done so, I can see that all of the damage noted by the vehicle inspector is accurately reflected in the charges.

Given all of the above, I'm satisfied that the charges Novuna told Mr F he 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

My final decision is that I do not uphold this complaint. It follows that Mitsubishi HC Capital UK Plc doesn't have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 June 2024.

Sally Allbeury
Ombudsman