

## The complaint

Mr A disputes he should have to pay Santander Consumer (UK) Plc trading as Volvo Car Contract Hire ("VCCH") the sum of £577.14 in respect of end of contract charges.

## What happened

In June 2018 Mr A entered into a hire agreement with VCCH. Under the terms of this agreement, everything else being equal, Mr A undertook to make an advance rental of £4,935.00 followed by 44 monthly rentals of £398.96.

In September 2022, after a small extension to the original hire agreement term, the car was inspected and then collected. The inspection report produced identified the following:

• incomplete service history	£100.00
• missing parcel shelf	£437.14
• scuffed alloy wheel	£60.00
• scratched sill panel	£65.00
• scratched post	£65.00
• total	£727.14

On receipt of the above inspection report VCCH invoiced Mr A £577.14 being £727.14 less £150.

Unhappy with being charged £100.00 and £437.14 Mr A complained to VCCH. However, VCCH said it was satisfied that it was entitled to charge these two sums and these two sums were both fair and reasonable.

In July 2023, and unhappy with VCCH 'arguing' that it was entitled to charge what it had, Mr A referred his complaint to our service.

Mr A's complaint was considered by one of our investigators who came to the view that VCCH had done nothing wrong in charging Mr A what it had.

Mr A didn't agree with our investigator's view so his complaint has been passed to me for review and decision.

## 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 overall conclusions as the investigator, and for broadly the same reasons.

First, I would like to point out I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Secondly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

Based on the welcome letter sent to Mr A and the terms and conditions of the hire agreement itself, which was signed by both parties, I'm satisfied that Mr A would have been aware, or should have been aware, that the car needed to be returned to VCCH in 'good condition' and that:

- *The vehicle must be serviced in accordance with the manufacturer's recommended service intervals, using genuine parts, at a franchised dealer. If you do not meet this obligation, you may be liable to pay a fee of £100 plus VAT for each service interval which was not undertaken by a franchised dealer."*
- *"All servicing and other work must be carried out in accordance with manufacturer recommendations and at the manufacturer's recommended serving service intervals so as to not invalidate any warranty applicable to the vehicle and it is your responsibility to ensure that the repairer stamps the vehicle's servicing book each time the vehicle is serviced in accordance with the manufacturer's recommendations"*
- *"any missing part is considered abnormal"*

So with the above in mind, I'm satisfied that Mr A was aware, or should have been aware, of his obligations throughout the term of the hire agreement and on the car's return to VCCH at the end of the hire agreement. I would also add that if Mr A was unaware of any of his obligations I can't see anything that prevented him from seeking further explanation or clarity from VCCH in this respect shortly after entering into the hire agreement, but he didn't.

In light of the above I will now turn to the two charges Mr A is disputing.

**£100.00 for a service not carried out by a franchised dealer**

It's not in dispute that Mr A had the car serviced in September 2020. But what's also not in dispute is that this service wasn't undertaken by a franchised dealer and the service book wasn't stamped. So although I don't underestimate Mr A's strength of feeling on this point I'm satisfied that VCCH has done nothing wrong in charging Mr A £100 in this respect.

Mr A is correct in his submission that a car manufacturer can't, everything else being equal, invalidate a car's warranty if a consumer takes it to a non-franchised dealer. But a finance company isn't prevented from requiring a consumer, as a term and condition of its finance agreements, to require a franchised dealer to undertake servicing of a car.

Also, and for the avoidance of any doubt, I'm satisfied that £100.00 represents a reasonable pre-estimate of the cost to VCCH of a car, on hire to somebody, being returned at the end of the hire agreement with a service that hasn't been undertaken by a franchised dealer.

### £437.14 for a missing parcel shelf

Mr A, in response to the investigator's view, appears to accept that he returned the car without the parcel shelf and it was simply too late, post collection, for him to do so. But for the avoidance of doubt I would like to confirm that I'm satisfied that this is what happened so, everything else being equal, VCCH was entitled to charge Mr A for the missing parcel shelf.

However, although it appears that Mr A accepts VCCH's right to charge for the missing parcel shelf, he disputes VCCH's right to charge him £437.14 – such a sum, in his view, being excessive.

As I've already pointed out the hire agreement made it clear that Mr A would be liable for any missing items on the cars return.

Now the hire agreement doesn't specify individual costs for missing items. But notwithstanding it simply wouldn't be practical for a business to list the cost for each and every item that could possibly be missing on a cars return, charges for specific missing items will depend on the specific cost at the time charges are applied and it would be impossible to predict this at the outset.

VCCH has told us (and Mr A) that its agents *"use a mobile application software which uses a matrix of pricing to create inspection quotes. Where parts pricing is required, their application interfaces with a parts provider called [name], who provide a number of automotive, parts and pricing solutions across the automobile and repair network."*

Given the above and given what my own research suggests the cost of a parcel shelf for Mr A's returned car is, or can be, I'm not persuaded that a charge of £437.14 is unfair or unreasonable.

Overall, based on the evidence and information provided, I'm satisfied the charges totalling £577.14, invoiced by VCCH when Mr A returned the car at the end of his hire agreement, were both fair and reasonable. So, although I do understand that Mr A feels strongly about this, I'm simply not persuaded that in the particular circumstances of this case VCCF has done anything wrong.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 June 2024.

Peter Cook  
**Ombudsman**