

The complaint

Mr B complained about end of contract charges for a car supplied on finance by Stellantis Financial Services UK Limited (Stellantis).

What happened

Stellantis supplied Mr B with a used car on a hire purchase agreement in September 2020. The car was already around two years old and had driven around 14,500 miles. Mr B exercised his right to Voluntary Terminate the agreement in March 2023. When the car was returned in April 2023, the mileage was around 39,800. Stellantis' agent completed an inspection and asked Mr B to pay around £1,450 in charges relating to damage to the car; missing services; and the cost to have it valeted.

Upholstery soiled valet	£50
Front Alloy wheel L corrosion	£65
Quarter panel L dent	£152
Quarter panel R contamination	£40
Rear Door R dent	£152
Sill Panel R scratched	£100
Sill Panel L scratched	£100
Parcel Shelf strap R broken	£41.08
Service history incomplete	£600
V5c missing	£100
All panels soiled valet	£50

Mr B said the charges were unfair, and asked for a breakdown. He pointed out that some of the damage was already present when he took possession, and that he had in fact serviced the car. In August 2023 Stellantis reduced the charges to around £1,000 as they acknowledged they included damage that was already present on delivery, and they'd charged for a missing item which was in fact returned. Mr B said he didn't receive this response, and being unhappy with the charges, he referred his complaint to our service.

An investigator considered the complaint. He said that he had considered the industry standards to work out whether the damage was in excess of fair wear and tear. He summarised the charges that had already been waived, but didn't comment further as both parties were broadly in agreement.

Our investigator considered the evidence for the remaining charges and said that the remaining damage charges had been applied in line with the industry standards, because the images reflected that they were in excess of fair wear and tear.

He also said that there was no requirement for Stellantis to evidence they had completed repairs, because the damage was likely to have led to a financial loss whether through the cost of repairs or the loss in the car's resale value.

Our investigator upheld the complaint in part. He said that Stellantis had overcharged for one missed service. He thought about what Mr B said about servicing the car, and that the inspector had overlooked the documents that were included within the owner's pack, as he had with the V5c. But ultimately the investigator thought he only had grounds to remove one of the service charges, which was £200. This is because he thought Mr B was only required to service the car twice in the time he had possession, rather than three times. Stellantis agreed.

Mr B broadly agreed with the investigator's opinion on most of the damage charges. But he didn't think it was fair that he should pay for a service that he had completed in 2021. He said that the paperwork had been included in the car when he returned it and had Stellantis dealt with the matter promptly these could have been recovered. He also pointed out that Stellantis had already made several mistakes in the inspection, and charges had been removed, which made his version of events more likely.

Mr B asked for the complaint to be decided by an ombudsman, so the complaint has been passed to me.

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.

I've read and considered the evidence submitted by both parties but I'll focus my comments on what I think is relevant. If I don't comment on a specific point it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and wider circumstances.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it.

As Mr B has not agreed with the reduction in charges, I am making a final decision on this case. Both parties have broadly agreed with our investigator on most of the charges, so I don't consider it necessary to focus on all aspects of this complaint in detail. However for completeness I will cover my findings on the key matters.

Stellantis set out in the terms of the agreement that there is an expectation that the car will be returned in a good condition, and that damage beyond fair wear and tear will be chargeable. When Mr B entered into the hire purchase agreement, he accepted these terms and conditions.

In making my decision I've considered the return standards which Mr B agreed to that made up part of the hire purchase agreement. I've also taken into account relevant industry

standards from the British Vehicle Rental and Leasing association (BVRLA) when necessary, for example where the Stellantis returns standards are unclear.

Stellantis accepted that some of the charges should be removed. In their final response they said that by comparing an earlier inspection report they could see the condition of the car when Mr B took possession. Stellantis removed the charge for the front alloy wheel, the rear door (right) and the parcel shelf strap.

Stellantis also said they would remove one of the charges for valet and the quarter panel right contamination. They agreed that the V5c document was clearly shown in the images and also removed the associated charge for the missing item. I can understand why Mr B may have been disappointed this wasn't done initially.

Stellantis initially said that Mr B should have completed three services while the car was in his possession. They agreed to remove one of the charges after our investigator pointed out that only two services were chargeable.

Firstly, I should point out that I've looked at the evidence of the earlier inspection which was before Mr B took possession. I'm satisfied that Stellantis have agreed to remove charges for damage which were already present when Mr B took possession of the car. I'm also satisfied that one of the charges for a missed service should be removed and Stellantis have agreed with our investigator. So I've gone on to consider the evidence of the remaining charges and whether I think they are in excess of fair wear and tear, and therefore chargeable.

Upholstery – soiled – valet £50

The terms of the agreement state that *any dirt on interior/exterior/boot areas that cannot be cleaned with steam, wash, wax and shampoo are considered to be abnormal wear. Any stains that can be cleaned by valeting to the point of not being visible are considered normal; any that cannot be removed are abnormal.*

BVRLA guidance says that the car should be cleaned and the interior valeted. It says *the vehicle's interior must be sufficiently clean. The inside should have been valeted and must be cleared of rubbish. The interior upholstery and trim must be clear and odourless with no burns, scratches, tears, dents or staining.*

Mr B said that the car wasn't collected for seven weeks, and it would have been clean enough had it been collected when arranged. I can understand the delay in collecting the car would have added to Mr B's frustration. The external images that I've seen don't show excessive dirt other than what would be expected given the car was kept on the roadside. But the internal images show that the upholstery was soiled, and the flooring was generally dirty. I don't know if a valet would have removed the soiling but given that a full valet was needed due to the internal condition I think this is fairly chargeable. I also think that the charge itself seems to fairly reflect completing a full valet.

Quarter panel left – dent - repair and refinish £152

The terms of the agreement state *Multiple dents in any one panel and any dent greater than 10 millimetres in diameter on the bonnet, boot, roof, or above the body moulding lines on the sides of the vehicle is considered abnormal.*

BVRLA guidance says *dents of 15mm or less in diameter are acceptable provided there are no more than two per panel and the paint service is not acceptable.*

The image shows that the dent is larger than 15mm and the paint surface is broken. I think this is fairly chargeable. I also think the charge itself is fair and not excessive.

Sill panel right – scratched through paint £100

Sill panel left - scratched through paint £100

The terms of the agreement state *any scratch which penetrates the primer coat, dependent upon its position on the body, is considered abnormal wear and tear.*

BVLRA guidance says *scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out.*

The images show that one of the scratches has penetrated the surface of the paint and the other is in excess of 25mm. I think these items are fairly chargeable. I also think each charge itself is fair and not excessive.

Mr B said that he agreed with the assessment of these charges in relation to the industry standards and would pay them, but he disagreed with the assessment of the service charges.

Missed services 3 x £200

The terms of the agreement state:

Keep the vehicle in good condition (see clause 18), carry out repairs and replace parts when necessary and maintain and service the vehicle in accordance with the manufacturer's recommendations. It is your responsibility to ensure that the repairer stamps the vehicle's service book each time the vehicle is serviced (the service book must be returned to us on the day of collection if the vehicle is recovered by us for any reason)

The BVLRA guidance states *the vehicle must have been serviced and looked after according to the manufacturer's servicing/maintenance standards.* The manufacturer's guidance required the car to be serviced annually or every 10,000 miles whichever came first. Mr B had been able to complete around 25,000 miles in around two and a half years since he took possession.

Stellantis initially said that Mr B should have completed three services while the car was in his possession. They agreed to remove one of the charges after our investigator pointed out that only two services were chargeable due to the length of time Mr B had the car. For the avoidance of doubt, I also agree this should be removed.

Mr B said that he included his servicing and MOT documents in the vehicle. He said that Stellantis got this wrong, and they had overlooked the V5c document which he also included. Mr B also said that this could have all been resolved much sooner if Stellantis had dealt with his concerns at an earlier stage. He said that he would have been able to highlight the documents were returned and where they were, and they would have been found.

Mr B said it wasn't fair that he couldn't prove he had included the documents, and Stellantis couldn't prove he hadn't.

I've listened carefully to what Mr B said, and asked if he could provide me with anything further to demonstrate that the services had been completed, such as a copy of his invoice from the relevant garage or proof of payment from his bank statement. Mr B said that the garage had now ceased trading, but he could provide evidence of paying for the service from his credit card statement. Mr B subsequently hasn't been able to provide anything further. So

I'm left to consider what is most likely to have happened based on all the other relevant information.

I've given further consideration to the terms of the agreement which said: *you are responsible for ensuring that the repairer stamps the vehicle's service book each time the vehicle is serviced (the service book must be returned to us on the day of collection if the vehicle is recovered by us for any reason).*

The images shown in the report show that the service booklet is only stamped with a service which was completed before Mr B took possession of the car. So even if I were to give Mr B the benefit of the doubt that the car had been serviced, I'm still mindful the paperwork wasn't returned as required.

I appreciate Mr B's strength of feeling that Stellantis could have resolved this if they dealt with the matter promptly. However I'm not persuaded this would have likely made any difference, as once the car is inspected it is usually taken straight to auction and Stellantis likely wouldn't have had the option to search the car. Mr B hasn't been able to provide evidence that he paid for the services he said he completed. I have to consider that it doesn't appear that the service book was stamped as is required in the terms and conditions. Even if I consider the charge on a fair and reasonable basis, I've not seen enough evidence that the services were carried out, so I don't think Stellantis' overall answer on this point is unfair.

Mr B said he wanted evidence that the repairs had actually been made. Like our investigator I don't find it necessary to see evidence of this. I'm mindful the relevant BVRLA guidance says *Charges can still be applied at end of lease in cases where the leasing company decides for commercial reasons not to repair damage or to replace missing equipment before the vehicle is sold.* Ultimately the car may have achieved more had it not been damaged. I think Mr B was fairly warned about the terms relating to damage outside of fair wear and tear when he entered into the agreement, and he had the opportunity to rectify the damage before returning the car.

I appreciate my decision will be disappointing to Mr B, but I don't find I have the grounds to instruct Stellantis to remove further charges. However I agree with our investigator's assessment that one of the service charges should be removed.

Putting things right

Stellantis should remove the charge for one for missed service. It should then produce a revised bill for Mr B to show what he now owes.

I don't believe that Stellantis have added adverse information to Mr B's credit file in relation to the outstanding charges to date. But if it has, it should remove these once Mr B has settled the revised bill.

My final decision

For the reasons set out above my final decision is that I uphold this complaint and direct Stellantis Financial Services UK Limited to reduce Mr B's bill for damages by £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 July 2024.

Caroline Kirby
Ombudsman

