

The complaint

Mrs S complains about the charges Mitsubishi HC Capital UK Plc, trading as Novuna Vehicle Solutions (Novuna) levied after she returned a car she had been leasing through a hire agreement with them.

What happened

Mrs S entered into a hire agreement with Novuna and took receipt of a new car in December 2017. The agreement was subsequently extended, and the car was returned in mid-January 2023.

Novuna levied charges for damage that they said was beyond normal wear and tear, and for excess mileage.

Mrs S didn't think the charges were fair and she, therefore, referred her complaint to this Service. Our investigator didn't think Novuna had been unreasonable but as Mrs S has continued to dispute the charges her complaint has been referred to me, an ombudsman, to make a final 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.

I know it will disappoint Mrs S, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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.

Mrs S acquired her car under a hire agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The mileage charges

The initial hire agreement explained that excess mileage charges would be at 16.32p per mile (including VAT). The subsequent hire extension email explained that excess mileage would be 13.6p per mile (excluding VAT) which also equates to 16.32p per mile once VAT is added.

I've checked the excess mileage invoice and can see that's what Novuna charged so I can't see that they have made any mistakes.

Damage charges

The terms of the finance agreement held Mrs S responsible for keeping the car in good condition. She would be responsible for any damage if the car wasn't returned in the correct condition. I understand that Mrs S had some repairs completed on the car before she returned it to Novuna, if those repairs were of an unacceptable standard, it is for Mrs S to dispute that with the repairer and it wouldn't be fair to suggest Novuna should take the repair attempt into account, as they would still be likely to incur a loss in the resale value of the car if returned in an inadequate condition. I don't think it was unfair not to allow Mrs S to keep the car so she could return it to the repairer and dispute the damage, as a collection had been arranged.

The industry guidelines for what is considered fair wear and tear when vehicles are returned at the end of their lease, is provided by the British Vehicle Rental and Leasing Association (BVRLA). I've considered the photographs of the damage in the inspection report and compared the damage to the BVRLA standard.

Right hand front door dent, tailgate/boot, right and left hand C Post

The BVRLA standard says that dents of less than 15mm are acceptable.

The inspector's photographs show the dents on each panel to be in excess of 15mm and I think the charges are reasonable.

Right hand seat cover

The BVRLA guidance says that "The interior upholstery and trim must be clean and odourless with no burns, scratches, tears, dents or staining."

The photograph shows that the cover is cut so I think the charge is reasonable.

Mirror housing and rear bumper

The BVRLA guidelines say that surface scratches of no more than 25mm are acceptable as long as the primer or bare metal is not visible, and the scratch can be polished out.

The scratch to the mirror housing is in excess of 25mm and I think a charge was reasonable.

The scratch to the bumper isn't clearly evidenced in the photographs but as Novuna have already reduced the charges for damage by more than the amount being charged here, I'm persuaded the charge is reasonable.

Right hand rear door paint flaking

The BVRLA guidance says that obvious evidence of poor repair, such as flaking paint, preparation marks, paint contamination, rippled finish or poorly matched paint, is not acceptable.

The photographs show paint is flaking in this area and I think the charge is merited.

Ultimately, I'm not persuaded that Novuna have been unreasonable here and I'm not asking them to take any further action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 2 November 2024.

Phillip McMahon
Ombudsman