

The complaint

Mr M complains about the charges ALD Automotive Limited, trading as Kia Contract Hire (“ALD”), applied when he returned a car at the end of his hire agreement.

What happened

Mr M entered into a vehicle hire agreement with ALD in July 2019; the agreement ended in July 2023 and Mr M arranged for the car to be collected. On collection the vehicle was inspected by British Car Auctions, a collections agent, on behalf of ALD. Damages totalling a value of £1,753.52 were identified.

Mr M was unhappy with the end of contract charges that were applied when he returned the car and complained to ALD. He said that he had paid £900 prior to collection to have the vehicle refurbished to a standard that met the British Vehicle Rental & Leasing Association (BVRLA) fair wear and tear guidance.

ALD did remove some of the charges, but Mr M was still left with a bill for £590. Unhappy with ALD’s response, Mr M brought his complaint to this service.

Our investigator looked at this complaint and concluded that the charges were fair. They didn’t think Mr M’s complaint should be upheld.

Mr M conceded that one of the charges relating to the tailgate pad of the vehicle was fair, but he remained unhappy with the other charges. As Mr M didn’t agree completely with the investigator’s view, his complaint was passed to me to decide.

When I reviewed Mr M’s complaint I didn’t completely agree with our investigator. I thought that some of the charges were unfair. I wrote to both parties to explain this and to give each party an opportunity to comment on my findings.

Mr M agreed with my provisional decision. ALD didn’t respond. As ALD didn’t respond I am issuing 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.

Having done so, I do not think ALD acted fairly in relation to the end of contract charges it imposed. I will explain why I have reached this decision.

The terms and conditions of the agreement, signed by Mr M, set out Mr M’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 M was

responsible for returning the car in good condition, but the question is whether all the charges applied by ALD are fair and reasonable.

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. This is the standard that ALD applied following the inspection.

Putting to one side those charges which have now been agreed, ALD's inspection identified the following damages which remain in dispute:

| | |
|--|------|
| 1) Rear Bumper – paint chips – greater than 3mm | £120 |
| 2) Qtr panel trim upper RH – scuffed – over 25mm | £65 |
| 3) Load area trim panel – scuffed – over 25mm | £65 |
| 4) Qtr panel RDR – bird lime – through topcoat | £120 |
| 5) Door shut inner RHF – dented -with paint damage | £155 |

I will take each of these charges in turn. They are titled according to the BCA report and have been linked with associated charges in ALD's final response letter where possible.

Rear Bumper – paint chips – greater than 3mm

While the inspection report mentions paint chips on the rear bumper, ALD's final response letter to Mr M doesn't refer to paint chips. It refers to a rear bumper scratch of 25mm which is through the topcoat of the paint to the primer.

Mr M says that he believes this damage falls within fair wear and tear. He notes the damage has been listed as a paint chip in excess of 3mm, but that the chip is exactly 3mm, not greater. He highlights that the photograph taken by the inspector shows the start of the ruler is not positioned at the start of the chipped area, so it looks like it extends greater than 3mm.

It is not helpful that ALD's final response letter does not refer to a paint chip. ALD has not provided any further clarification since my provisional decision. I have reviewed image 21 of the 50 images supplied (identified as 'Bumper rear Condition: paint chips' and believe this is the damage referred to. It does not look like a paint chip to me. It is a scratch or scuff of a total length of 12mm. The first part of the scratch or scuff is opaque and is exactly 3mm in length; the second part of the scratch or scuff is 9mm long. It is not clear to me that the damage in the first 3mm of the scratch or scuff is down to the metal; the second part clearly isn't.

In the absence of any clearer photograph or explanation I am of the view that this damage should be treated as a scratch or scuff. The BVRLA fair wear and tear standard in relation to scratches states:

'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 is acceptable.'

In relation to scuffs, the guidance states that scuffs over 50mm are not acceptable.

As the scratch or scuff is only 12mm long in total I do not think ALD should charge for this damage.

Qtr panel trim upper RH – scuffed – over 25mm

ALD's final response letter makes no specific description of this damage and ALD has not provided any clarification following my provisional decision. The BVRLA guidance is silent on the number of separate scuffs which can appear in any one area and makes no mention of the need for interior parts to be free of scuffs; it refers only to burns, scratches, tears, dents or staining.

I have reviewed image 27 and 28 supplied in the inspection report. There are a number of slim scuffs which are more than 25mm long. But the limit for scuffs on external bodywork is 50mm and I do not see any reason why it may be shorter for the interior (if it is applicable at all). I cannot see any individual scuff which exceeds this length. On this basis I do not consider the damage exceeds fair wear and tear and I do not consider that ALD should charge for this damage.

Load area trim panel – scuffed – over 25mm

In relation to this damage, ALD's final response letter says that this area needs to be free of scratches, tears and dents *'as the tailgate pad is [sic] tears in the leather topcoat and the load sides have scratches.'*

BVRLA guidance states in relation to the vehicle door aperture, boot, boot liner and luggage area:

'Scratches on treads, sills and seals that reflect normal use are acceptable.' And;

'Torn or split floor covering and damage surrounding trim panels are not acceptable.'

BVRLA guidance states that scuffs over 50mm are not acceptable in relation to bodywork but as I have already mentioned it is silent on whether this applies to soft parts of the interior.

Mr M accepted that the charge for damage to the tailgate pad was fair. In relation to the scuffed load panel trim, I have reviewed images 25 and 26 of the photographs supplied by ALD. I can see evidence of a number of scratches and scuffs but it is not possible to tell whether any individual scuff is more than 50mm in width, nor is it possible to tell whether any of the scratches are longer than 25mm.

On the basis of the evidence I have I cannot be satisfied that the damage exceeds fair wear and tear and I do not consider ALD should charge for this.

Qtr panel RDR – bird lime – through topcoat.

Mr M does not dispute that there is damage caused by bird lime. He says that he paid extra at the time of sale for a special coating which is designed to prevent such damage and that as this was paid as part of the original sale which was financed by ALD that there should be no charge.

BVRLA guidance states that customers should do the following before returning a leased vehicle:

'Arrange to repair areas of damage and replace missing equipment and accessories before the vehicle is returned, ensuring that any work carried out is done to a professional standard by a repairer who can provide a transferable warranty for the work.'

So, Mr M needed to ensure that any work completed under the guarantee provided by the specialist coating business was completed before the vehicle's return and provide the transferable warranty. It doesn't appear that he did this. That the guaranteed specialist coating was purchased as part of the finance agreement is not relevant in these circumstances.

On this basis I am satisfied that the charge is fair.

Door shut inner RHF – dented -with paint damage

ALD's final response makes no specific reference to the nature of this damage. Mr M doesn't dispute that this damage is present, but he does not accept the £155 cost of the repair. Images 35 to 38 of the inspection report appears to show this damage and I am satisfied that this is not fair wear and tear. I am also satisfied that the amount charged in relation to this damage is within the reasonable range of costs for this repair.

Putting things right

I partially uphold Mr M's complaint for the reasons set out above. This means I direct that ALD remove the charges for the following items:

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|--|------|
| 1) Rear Bumper – paint chips – greater than 3mm | £120 |
| 2) Qtr panel trim upper RH – scuffed – over 25mm | £65 |
| 3) Load area trim panel – scuffed – over 25mm | £65 |

But ALD can charge for these items:

- | | |
|--|------|
| 1) Qtr panel RDR – bird lime – through topcoat | £120 |
| 2) Door shut inner RHF – dented -with paint damage | £155 |

My final decision

I have partially upheld Mr M's complaint about the end of contract charges imposed by ALD. Consequently, I direct that ALD removes the charges outlined above. ALD is still able to charge for the items set out separately above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 August 2024.

Sally Allbeury
Ombudsman