

The complaint

Mr D complains about end of lease charges he was asked to pay by Mercedes-Benz Financial Services UK Limited ('MBFS') when he returned a car he had been financing through an agreement with them.

What happened

In March 2024 Mr D returned a car he had been financing through a hire purchase agreement with MBFS. MBFS subsequently invoiced him for refurbishment costs as they said there was damage to the vehicle. Mr D complained and the charges were subsequently reduced. MBFS say, however, that damage to the four alloy wheels was beyond normal wear and tear and that they have been reasonable to charge Mr D £4,001.68.

Our investigator agreed with MBFS, but Mr D didn't. He asked for a final decision by an ombudsman.

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 Mr D, but I agree with our investigator's opinion. 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.

Mr D acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of the finance agreement held Mr D responsible for keeping the car in good condition. He would be responsible for any damage if the car wasn't returned in the correct condition.

I can see there were some issues with the inspection and that the photographs may have been taken in a different place, days apart. It seems more likely than not to me that the damage to the alloys would have happened during Mr D's extensive tenure than in the few days the collection agents had it. It seems likely that the photographs of the car are of the car Mr D had been leasing as the number plate is correct.

MBFS have their own Vehicle Return Standards (VRS) but 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) in their Fair Wear

and Tear Guide. I think it's only fair to consider that standard (as it applied at the time of inspection) in tandem with the VRS, when considering if the damage in the inspection reports can fairly be considered to be beyond normal wear and tear and chargeable.

I've considered the photographs of the damage in the inspection report and compared the damage to the two standards.

The BVRLA says that scuffs up to 50mm on the total circumference of the wheel rim are unacceptable and that any damage to the wheel spokes, wheel facia or hub is unacceptable. That concurs with the VRS.

The photographs show significant damage to all four alloy wheels. The right-hand front wheel also has spoke scuffing. The damage is in excess of the BVRLA and VRS standards and I think MBFS have, therefore, been reasonable to levy a charge.

I've considered whether that charge is reasonable. Given the extent of the damage I think repairs wouldn't have been viable; there was too much metal to remove. MBFS have provided evidence that a replacement wheel from the manufacturer would be in excess of the cost they charged, and in those circumstances, I think the charge they levied was a fair one.

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 Mr D to accept or reject my decision before 12 December 2024.

Phillip McMahon
Ombudsman