

The complaint

Mr M complains about end of lease charges he was asked to pay by Care by Volvo Car UK Limited ('Volvo') when he returned a car he had been financing through an agreement with them.

What happened

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

Mr M is also upset that Volvo sent him an invoice for a termination fee they had agreed to waive as a result of a previous investigation. He says Volvo have damaged his ability to remortgage his flat as the charges are hanging over him.

Our investigator agreed with Volvo, but Mr M 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 M, 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 M 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 M 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.

Mr M suggests the damage happened after the car was in Volvo's care, but it seems more likely than not to me that the damage to the alloys would have happened during Mr M's extensive tenure than in the few days the collection agents had it. Mr M has also suggested that Volvo accepted they had caused damage to his car while it was in their care. I don't think they did. They waived a charge for damage to the front bumper because they didn't

think it had been properly evidenced by the inspector, but that's not the same as accepting they had caused the damage.

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've considered the photographs of the damage in the inspection report and compared the damage to the BVRLA standard.

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.

The photographs show significant damage to the two wheels. The damage is in excess of the BVRLA standard as there is significant scuffing, beyond 50mm to the rims. I think Volvo have, therefore, been reasonable to levy a charge.

While the initial credit check would have been reported to Mr M's credit file, I've not seen evidence that the report had a negative impact on his ability to obtain credit. Volvo are obliged to report accurate information to the credit reference agencies and I've not seen sufficient evidence that Volvo have done anything wrong in respect of reports they made to Mr M's credit file.

While Volvo sent an invoice for the early termination fee it was sent before the decision was made to waive it. I don't think Mr M would have been unduly inconvenienced by that and it seems Volvo quickly explained it wasn't their intention to pursue the charge.

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 M to accept or reject my decision before 10 December 2024.

Phillip McMahon
Ombudsman