

The complaint

Mr C complains about charges Volvo Car Financial Services UK Limited ('Volvo') asked him to pay after he returned a car he had been financing through an agreement with them.

What happened

Mr C took receipt of a new car in July 2021. He financed the deal through a hire agreement with Volvo. He agreed to voluntarily terminate his agreement and return the car in November 2023 as he was moving overseas. There were problems arranging collection and when Mr C left the country, he had to leave his car with a friend to arrange it. The car wasn't collected until 14 January 2024 and after it was inspected Volvo sent him an invoice.

Mr C was unhappy with some of the charges that made up that invoice. He complained to Volvo about them but, dissatisfied with their response he referred his complaint to this service.

Our investigator thought a charge of £50 levied to valet the car was unfair and while he noted that Volvo had offered £100 to compensate Mr C for the distress and inconvenience experienced, he thought they should pay an additional £200.

Volvo accepted our investigator's opinion, but Mr C didn't, so his complaint has been referred to me, an ombudsman, to make a 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 Mr C, 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 C acquired his 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 damage charges

The British Vehicle Rental and Leasing Association (BVRLA) provide guidance on what should be considered fair wear and tear when cars are returned at the end of a hire period. I've, therefore, considered the photographs of the damage recorded in the inspector's report against those guidelines.

Mr C says that the person he asked to be present when the car was inspected, did not sign the inspection report as Volvo have claimed. I don't think I have sufficient information to suggest the report was signed by someone who was unauthorised, but I don't think that has disadvantaged Mr C as I think the photographs in the inspector's report has adequately demonstrated the damage that was present.

Damage to the front bumper and arch extension

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 photographs show extensive scuffing to both panels that is in excess of that standard. I think the charges of £65 per panel have, therefore, been fairly applied.

Damage to the rear bumper

The bumper has a split that is in excess of 25mm. I think the £65 was merited.

Missing parcel shelf

The shelf is missing and the BVRLA guidance says accessories should be returned. I don't think the charge of £204.83 to replace the shelf was unreasonable.

Alloy wheel front

The BVRLA guidance says that scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels/wheel hubs are acceptable. The scuffing in the photographs is in excess of that standard and the charge of £60 has been fairly applied.

Fog light

The BVRLA guidance states that all lamps and lamp units must work. Holes or cracks in the glass or plastic covers of lamp units are not acceptable. The glass is missing in this lamp and I think the charge of £28.47 was fair.

The valet

The BVRLA guidance expects car's to be returned in a clean condition. The inspector's photographs show that the exterior of the car is dirty, but I think that's most likely because Mr C had to leave the country and, through no fault of his own, couldn't return the car beforehand. I think it would be fair to waive the £50 valet charge.

The fines

There were three fines noted in the business's final response. Two predated the collection date and as the car remained in Mr C's care during that time, I don't think it would be fair to suggest Volvo should be responsible for them.

Volvo also asked Mr C to pay a fine of £80 plus £30 in administration charges. That was in relation to a Transport for London fine, but it was incurred on the day the car was collected and I think Volvo have now been reasonable to agree to waive it as it wasn't incurred by Mr C. Mr C feels it unreasonable for Volvo to pursue their debts through him. I'm persuaded that this was an honest mistake and likely due, as Volvo has explained, to the car not yet having been taken off hire.

So, I think Volvo should remove the fine and administration charge relating to the fine imposed by Transport for London.

Mr C's credit file

Mr C also complained about adverse credit reports the business may have added to his credit file. Volvo have explained that they didn't make any adverse reports up until the end February 2024. It may be that they have reported some since. As I think there have been charges that shouldn't have been levied and that Mr C's complaint wasn't, therefore, without merit, I think Volvo should remove any adverse reports they may have made to Mr C's credit file in relation to the end of term charges they've sought to enforce.

Distress and inconvenience

Volvo offered £100 in respect of the distress and inconvenience Mr C had been caused. I don't think that was sufficient and I would agree with our investigator that Volvo should pay an additional £200. I think Mr C's complaint could have been resolved quicker and Volvo could have done much more to ensure the car was collected before he went away. I can understand it would have been stressful to have to deal with things in his absence.

My final decision

For the reasons I've given above, I uphold this complaint and tell Volvo Car Financial Services UK Limited to:

- Remove the charge of £50 for valeting, from the final invoice.
- Waive the charge for the Transport for London fine of £80 plus £30 administration if they haven't already done that.
- Pay Mr C £300 to compensate him for the distress and inconvenience caused. Remove £100 if that's already been paid.
- Remove any adverse reports they may have made to Mr C's credit file in relation to this end of term invoice.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 January 2025.

Phillip McMahon
Ombudsman