

## The complaint

Ms R complains that Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions ("Novuna") has unfairly charged her for damage to a vehicle she returned when her hire agreement came to an end.

## What happened

In 2019, Ms R took out a hire agreement with Novuna to acquire a new vehicle. The vehicle was returned in 2024 and an inspection was carried out where damage to the vehicle was highlighted. Ms R was sent a copy of the inspection report that explained the total amount she needed to pay was £1,331.10.

Ms R immediately challenged the amount she was being asked to pay. She accepted three charges totalling £300.15 but believed the remaining charges were being applied unfairly. On 21 August 2024, Novuna sent its final response. In this it reviewed the damage charges being applied and concluded that several would be removed. It added a £150 reduction had already been applied as a gesture of goodwill and that given the age of the vehicle, a 13% reduction had been applied to the damage charges. This meant following the final response, Ms R was now being charged the £300.15 for damages she'd already accepted and £348 for damage that Novuna concluded was still chargeable. Novuna applied the £150 reduction to the total and therefore stated Ms R now needed to pay £498.15.

Ms R didn't agree and brought her complaint to our service. She said that to try and resolve the matter she would pay for a further two items of damage totalling £208.80. But she wanted the remaining £139.20 removed from the £498.15 that Novuna was still saying she owed. The complaint was passed to one of our investigators to consider.

They reviewed the complaint and explained that as part of their investigation the £300.15 in charges accepted by Ms R and those charges already removed by Novuna wouldn't be considered further. This meant the following damage charges were reviewed:

- Front left wheel
- Scratched rear bumper
- Right C post
- Dents to the right B post
- Scratched sill right panel

The investigator concluded that Novuna was entitled to charge for all but the scratched sill right panel. They recommended this charge totalling £43.50 also be removed. Novuna accepted this.

Ms R responded and said the situation with the charges had caused her a great deal of stress and financial difficulties. She added that Novuna were just trying it on with the original amount of damage it was charging for, and the inspector had been overzealous in trying to find damage. The investigator explained it was the inspector's job to highlight damage and so it wasn't unreasonable for them to search all areas of the vehicle. They added Novuna wasn't wrong to have initially quoted what it did and then after further review conclude some

damage hadn't been sufficiently evidenced and remove those charges.

Ms R explained the actions of Novuna had caused her significant distress at a time where she had a lot going on. She didn't feel the inspector behaved correctly when looking for damage to the vehicle. Therefore, she wanted an ombudsman to review the complaint.

Given this the complaint has been passed to me to decide.

### **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 would like to point out 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.

Like the investigator, I won't be looking at the three charges totalling £300.15 Ms R accepted, nor those already removed by Novuna. As Novuna agreed to the investigators view that the damage to the scratched sill right panel be removed, I also won't be considering this further. This leaves four charges remaining in dispute.

Ms R's hire agreement explained that:

*"At the end of the agreement, you must return the vehicle in good condition allowing for fair wear and tear. In determining 'fair wear and tear', we apply the recognised industry standards published by the British Vehicle Rental and Leasing Association (BVRLA). You will be charged for any damage outside of fair wear and tear."*

I've therefore looked at the BVRLA guidance and the evidence provided in the inspection report when reviewing the four charges that remain.

#### *Front left wheel*

The BVRLA says that any damage to the wheel/alloy spokes or fascia is not acceptable. Looking at the pictures of the front left wheel there is damage to the spokes, all be it minor in nature. However, as the guidance says no damage is acceptable to the spokes, I don't find that Novuna was wrong to charge for this damage.

#### *Scratched rear bumper*

The evidence of the scratches to the bumper shows several scratches of varying lengths in one area of the bumper. The BVRLA says that surface scratches of 25mm or less are acceptable where the primer or bare metal is not visible. It also says a maximum of four surface scratches on one panel is acceptable.

While all very close together, I think it's fair to say there are more than four individual scratches on the panel. Additionally, scratches are more than 25mm in length. So, this would be damage outside of fair wear and tear and chargeable.

#### *Right C post*

The damage identified here is a scratch that appears to be down to the primer. As mentioned above, scratches down to the primer aren't acceptable. So again, this is

chargeable damage.

### *Dents to the right B post*

Regarding dents, the BVRLA says these are acceptable where less than 15mm and there are no more than two per panel. It also says dents on the swage line of any panel are not acceptable. From looking at the photos there are three dents present on the right B post. At least one of these appears to be on the swage line as well. So, while I don't believe the dents being more than 15mm has been sufficiently evidenced, given there are more than two present Novuna has applied this charge correctly.

I've also considered the age of the vehicle when Ms R returned it. The vehicle was five years and therefore I would consider a vehicle of that age to show more signs of wear and tear than say a vehicle returned after three years. Novuna reduced the individual charges it would usually apply for the damage outside of fair wear and tear by 13%. It also refunded Ms R £150 as a gesture of goodwill. I think this was fair and reasonable in the circumstances and reflects the vehicle being five years old when returned.

Ms R has said the inspector that looked at her car was overzealous and just trying to find anything that could be charged for. This along with Novuna initially charging £1,331.10 and reducing this to £498.15 has caused her a great deal of distress and inconvenience. At what was an already difficult time for her,

Firstly, I empathise with the difficult time Ms R has been going through. I understand this situation has added to the stress she has been experiencing. Like the investigator highlighted, I can't say the inspector carrying out a thorough review of the car was unreasonable or overzealous. It was their job to identify any damage to the car that they believed would be outside of what's considered fair wear and tear, taking into consideration the BVRLA guidance. They did this and evidenced damage they identified with photos.

Unhappy with what was highlighted, Ms R followed the correct process and raised a complaint. The photos were considered by Novuna and upon doing so it concluded some damage wasn't sufficiently evidenced and others weren't outside of the BVRLA guidelines. Novuna therefore removed those charges which is in line with what I would expect it to do in the circumstances. This doesn't mean Novuna was wrong to initially charge for the damage the inspector identified. So, while I appreciate Ms R point that this matter has caused her distress and inconvenience. I don't believe Novuna has acted unreasonably in its dealings with Ms R. The remaining charges, which include the four detailed above and the three Ms R has already accepted as being correct, remained owed. These total £454.60.

Ms R has explained she isn't able to pay the outstanding charges and is currently in financial difficulties. Given this, I would remind Novuna of its obligation to treat Ms R with forbearance and due consideration if she is currently experiencing any financial difficulty.

### **Putting things right**

- If it hasn't already done so, Novuna should remove the charge totalling £43.50, for damage to the Scratched sill right panel. Therefore, reducing the outstanding balance from £498.10 to £454.60.

### **My final decision**

I'm upholding Ms R's complaint. Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 15 January 2025.

Paul Blower  
**Ombudsman**