

## **The complaint**

Mrs K complains that LeasePlan UK Limited (“LeasePlan”) applied inappropriate end of lease charges for the condition of her car.

When I refer to what Mrs K has said and what LeasePlan has said, it should also be taken to include things said on their behalf.

## **What happened**

Mrs K was supplied with a car through a lease agreement provided by LeasePlan. The term was for three years, set to end in May 2023. At Mrs K’s request, the term was extended for a further 12 months with the full terms and conditions of the first agreement remaining in place.

At the end of the 12-month term, Mrs K arranged to return the car and receive a new one. She said LeasePlan told her to make the arrangements directly with the business supplying her new car, which she did. Mrs K said that when the car was collected, there was no end of term damage inspection carried out on her premises or at any time in her presence. She said the driver told her the car would be unloaded and loaded again before reaching its final destination for inspection.

LeasePlan provided an inspection video and photos of the car, and issued an invoice to Mrs K totalling £1,513 for the repairs it considered beyond reasonable wear and tear. But Mrs K was unhappy with the charges - which were mainly for paint chips, scuff marks and scratches - and the fact that LeasePlan hadn’t followed the British Vehicle Rental and Leasing Association (BVRLA) guidance to record the condition of the car at collection and in her presence. Further, Mrs K said there was no guarantee that damage hadn’t been caused when the car was loaded and offloaded during collection. Mrs K complained to LeasePlan.

LeasePlan responded to Mrs K’s complaint saying that it agreed with her comments about some of the repairs, and credited £232 back to the account. But it thought the remaining charges were valid and in accordance with BVRLA guidelines for acceptable damage.

Mrs K was unhappy with the response, and she complained that LeasePlan had taken the full payment despite her asking it not to. So she brought her complaint to our service for investigation.

Our investigator said the photos and video evidence confirmed that the damage LeasePlan reported met the descriptions set out in the BVRLA guidance. So he thought the charges, after LeasePlan’s deduction of £232, were applied fairly and in line with the lease agreement. Further, he didn’t think there was any evidence that damage was caused to the car during loading and offloading. However, our investigator thought LeasePlan could’ve handled the collection better, and it shouldn’t have taken full payment from Mrs K’s bank account when it did. In recognition of that shortfall, our investigator thought LeasePlan should pay to Mrs K £150 compensation.

Mrs K didn’t agree. She said:

- The BVRLA guidelines had been applied unfairly to the charges but not the collection process.
- It was merely an opinion that damage wasn't caused during transportation of the car.
- LeasePlan was unable to provide her with any documentation from the collection company, proving her point about the collection protocol.
- There was an implication that she didn't understand the inspection and collection process.

Our investigator responded to Mrs K's points but, because she didn't agree, the complaint has been passed to me to make 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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; regulator's rules, guidance and standards - including those of the BVRLA - codes of practice, and what I consider was good industry practice at the time. Mrs K was supplied with a car under a lease agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

I understand Mrs K's complaint is about more than just the charges applied on the return of her car. So I'll address those briefly before moving on to the remaining points.

### Fair wear and tear

The *BVRLA Fair Wear & Tear Guide: Cars* ("the Guide") states:

*Fair wear and tear should not be confused with damage, which occurs as a result of a specific event or series of events, such as an impact*

Mrs K accepted some of the charges but she disputed others. On reflection, LeasePlan agreed that charges totalling £232 for paint chips and a dent were not supported and credited that back to the account. This left £1,281 to pay. Mrs K offered £500 to settle the bill.

I've considered LeasePlan's inspection report alongside the video, photos and Mrs K's comments about the damage.

Having done so, I'm satisfied that the damage LeasePlan considered to exceed fair wear and tear reflects the Guide. For example, the inspection report said that the spokes on three wheels were scuffed. Mrs K didn't disagree, but she thought that the damage was minor on two of those wheels and was acceptable for a four-year-old car. However, the Guide states:

*Any damage to the wheel spokes, wheel fascia, or hub of the wheel/alloy is not acceptable.*

In general, Mrs K didn't dispute the presence of the dents and scratches on the car: rather, she thought the size was not as reported or that the charge was excessive. The photos include a measurement guide, and I'm persuaded that LeasePlan's assessment of the damage was fair based on that evidence.

Overall, I'm satisfied that LeasePlan removed charges for damage which reflected fair wear and tear, and the remaining charges are reasonable based on the damage evidenced and the Guide. I see no reason to ask LeasePlan to do any more in respect of the invoiced charges, or to accept Mrs K's £500 settlement offer.

### Collection process

This brings me on to Mrs K's complaint that LeasePlan relied on the Guide for the charges but not when it came to collecting the car. She said it failed to complete an inspection in her presence when it collected the car, and it was unable to provide her with any documentation.

The guide states:

*It is recommended that the customer...is present when the vehicle is collected.*

Mrs K confirmed she was present at collection but the inspection wasn't completed. The Guide advises that:

*Some leasing companies arrange a full vehicle inspection and condition report upon collection. Other leasing companies will collect the vehicle, make a note of its condition by recording all readily apparent damage and missing equipment and complete the final inspection later at the leasing company's nominated site.*

The transporter company told LeasePlan that it didn't have a checklist but did notice marks down the side of the car on collection. That's consistent with the main area of damage shown in the photos. However, the lease agreement states:

*10.5 When we collect [the vehicle] A Vehicle Collection Report will be completed and you will be required to agree any apparent damage and sign the Vehicle Collection Report.*

Based on this evidence, it's clear that LeasePlan didn't complete the collection in line with the contract terms, the Guide or Mrs K's expectations. I consider it fair and reasonable for LeasePlan to pay compensation to Mrs K in recognition of this shortfall.

### Cause of damage

In response to our investigator's view, Mrs K said it was merely his opinion that the damage was unlikely to have been caused during transportation. He explained that his view was based on the evidence available.

I've considered the evidence Mrs K provided but I haven't seen anything to indicate that she said the transporter caused the damage. It appears she is simply stating that LeasePlan has no proof that it didn't. If Mrs K believed the car was damaged during transportation, I think it's more likely than not that she would've disputed charges for new damage rather than simply disputing the fairness of charges she didn't think were in line with the Guide. Mrs K hasn't provided any photos of the car before collection to indicate there was new damage, which might've been a reasonable precaution albeit not a requirement. So, in the absence of a direct claim that the transporter caused additional damage, I can't say there's anything for LeasePlan to put right here.

### Invoice payment

Mrs K said LeasePlan took full payment for the invoice despite her asking it to place the charges on hold. The bank returned the money, but I accept that LeasePlan's actions here caused distress and inconvenience. I've taken this into consideration when deciding on the compensation LeasePlan ought to pay.

### Conclusion

Overall, the evidence persuades me that LeasePlan failed to follow the collection process set out in the lease agreement, causing Mrs K to experience uncertainty regarding the accuracy of the end-of-term repair charges and inconvenience when it took full payment inappropriately. That said, I haven't seen any evidence that Mrs K experienced any financial impact as a result of LeasePlan's actions that it would need to put right. So, in recognition of its shortfalls and the distress and inconvenience caused, LeasePlan should pay to Mrs K £150 compensation.

### **My final decision**

For the reasons explained, I uphold Mrs K's complaint and LeasePlan UK Limited must:

- pay to Mrs K £150 compensation in recognition of the shortfalls regarding the collection process and payment taken from her account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 10 February 2025.

Debra Vaughan  
**Ombudsman**