

The complaint

Mrs W complains about the amount that she's been charged by LeasePlan UK Limited for excess mileage and damage after she returned a car at the end of her hire agreement. She also complains about the service that she's received from LeasePlan.

What happened

I issued a provisional decision on this complaint last month in which I described what had happened as follows:

"A new car was supplied to Mrs W under a hire agreement with LeasePlan that she signed in December 2020. The minimum term of the agreement was 36 months and Mrs W agreed to pay monthly rental payments of £421.20. The car was collected from Mrs W in January 2024 after the agreement had ended and it was inspected by a third party on behalf of LeasePlan. The inspection report recorded the car's mileage as 38,260 and identified chargeable damage totalling £942. LeasePlan charged Mrs W £942 for excess wear and tear and £1,528.26 for excess mileage.

Mrs W complained to LeasePlan about those charges and the customer service that she'd received. LeasePlan said that the excess mileage charged was chargeable so it was unable to uphold her complaint but it didn't respond to Mrs W's complaint about the excess wear and tear charge or the customer service.

Mrs W wasn't satisfied with its response so complained to this service. Her complaint was looked at by one of this service's investigators who, having considered everything thought that it should be upheld in part. He agreed with the excess mileage charges that had been added by LeasePlan but said that the damage charges hadn't all been sufficiently evidenced. He recommended that LeasePlan should remove all damage charges other than the £232 charged for a scuffed left front wheel and a scratched left rear door and that it should pay £100 to acknowledge the stress and inconvenienced that the customer service had caused.

LeasePlan didn't agree with the investigator's recommendations and asked for this complaint to be considered by an ombudsman. It said that it was happy to support the £100 offered and to remove the charges of £155 for a scratched left front wing and £155 for a scratched right rear door. But it said that the charges of £40 for a scratched left door mirror, £155 for a scratched left front door, £155 for a scratched rear bumper and £50 for a scratched facia panel were applied in accordance with the British Vehicle Rental and Leasing Association guidelines. Mrs W didn't respond to the investigator's recommendations".

Provisional decision

I set out my provisional findings in that provisional decision and said:

"The hire agreement that was signed by Mrs W said that the annual mileage allowance was 10,000 miles and set out the excess mileage charge of 14.47p per

mile and the excess mileage maintenance charge of 4.07p per mile. The car's mileage when it was inspected in January 2024 was 38,260 miles which LeasePlan said was excess mileage of 8,243. The agreement included maintenance services so Mrs W was liable to pay an excess mileage charge and an excess mileage maintenance charge.

The agreement included higher charges if the mileage allowance had been exceeded by more than 15% (which I consider that Mrs W had done) so I consider that LeasePlan would have been entitled to charge her for some of the excess mileage at the higher rate, but it didn't do so. I consider that the excess mileage charges have been calculated in accordance with the terms of the hire agreement and I'm not persuaded that there's enough evidence to show that they've been charged incorrectly.

The agreement says: "When we collect or otherwise take possession of the Vehicle it must be in a safe condition and in good and substantial repair (Fair Wear and Tear excepted, having regard only to its age and mileage). A Vehicle Collection Report will be completed and you will be required to agree any apparent damage and sign the Vehicle Collection Report. A detailed inspection will take place prior to our selling the Vehicle ... If requested you must immediately pay us for: the costs of repair or replacement of any part(s) or accessories where such repair or replacement is required as a result of any loss or damage to the Vehicle which we think is in excess of Fair Wear and Tear, having regard only to the age and mileage of the Vehicle".

The inspection report identified the following chargeable damage to the car: scuffed left front wheel; scratched left front wing; scratched left door mirror; scratched left front door; scratched left rear door; scratched rear bumper; scratched right rear door; and scratched facia panel; and it recommended charges totalling £942. The report included photos of the damage.

The investigator thought that it was clear from the photos that the scuff on the wheel totalled more than 50mm and that the scratch on the left rear door was more than 25mm long so the charges of £232 for that damage were valid and Mrs W should pay for that damage. I agree that that damage is chargeable. LeasePlan says that it's happy to remove the charges of £155 for a scratched left front wing and £155 for a scratched right rear door so I've haven't considered those charges any further.

The British Vehicle Rental and Leasing Association guidelines on fair wear and tear say: "Surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out. A maximum of four surface scratches on one panel is acceptable".

I've looked closely at the photos of the left door mirror, left rear door and rear bumper and I consider that there are more than four surface scratches visible on each of them so I consider that it's fair and reasonable for LeasePlan to charge Mrs W for that damage. The photos of the facia panel clearly show some marks but I'm not persuaded that there's enough evidence to show that there's any chargeable damage in accordance with the British Vehicle Rental and Leasing Association guidelines so I don't consider that the charge for that damage is fair and reasonable.

I consider that it's fair and reasonable for LeasePlan to charge Mrs W for damage as follows: scuffed left front wheel - £75; scratched left door mirror - £40; scratched left front door - £155; scratched left rear door - £155; and scratched rear bumper - £155. That totals £582 so I consider that LeasePlan should reduce the amount that it's charged Mrs W for damage to the car from £942 to £582.

Mrs W says in her complaint form that LeasePlan hadn't responded to her complaint about the customer service that she received. She says that the service that she received when the car's brakes went was awful and the servicing people refused to collect the car or provide her with a replacement and she described some of the impact that that had on her. When she told LeasePlan that it hadn't responded to all aspects of her complaint, it said that if she didn't feel satisfied with its decision, she was more than welcome to take that up with this service.

The investigator said that Mrs W wasn't kept updated in a timely manner and questions that she asked weren't appropriately responded to so he thought that it would be fair to ask LeasePlan to pay £100 to acknowledge the stress and inconvenience that that had caused Mrs W. LeasePlan said that it was happy to pay Mrs W £100 and Mrs W hasn't responded to the investigator's recommendations. I consider that it's fair and reasonable for LeasePlan to pay Mrs W £100 to compensate her for the distress and inconvenience that she was caused by the customer service issues".

Subject to any further comments or evidence that I received from Mrs W and LeasePlan, my provisional decision was that I intended to uphold this complaint in part and to order LeasePlan to reduce the charge for damage to the car to £582 and to pay £100 to Mrs W to compensate her for the distress and inconvenience that she was caused by the customer service issues. LeasePlan accepted my provisional decision but Mrs W disagrees with the costs charged and says that the car was three years old and the expectation for it be returned in near showroom condition is unrealistic. She also says that £100 isn't adequate compensation for the issues with LeasePlan's service that she experienced when the car's brakes failed.

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.

One of the aims of the British Vehicle Rental and Leasing Association guidelines on fair wear and tear is to provide an industry-wide accepted standard that defines fair wear and tear on passenger cars when they are returned at the end of a lease contract or finance agreement. The guidelines say: *"Fair wear and tear occurs when normal usage causes acceptable deterioration in the vehicle's condition"*.

I don't consider that the damage that I've said that LeasePlan can charge for would properly be considered to be fair wear and tear. For the reasons that I explained in my provisional decision, I consider that it's fair and reasonable for LeasePlan to reduce the amount that it's charged Mrs W for damage to the car from £942 to £582.

The investigator said in the recommendations that he made in September 2024 that Mrs W wasn't kept updated in a timely manner and questions that she asked weren't appropriately responded to so he thought that it would be fair to ask LeasePlan to pay £100 to acknowledge the stress and inconvenience that that had caused her. Mrs W didn't respond to his recommendation or provide any further comments or evidence about the issues with LeasePlan's service that she experienced when the car's brakes failed. I'm not persuaded that it would now be fair or reasonable for me to require LeasePlan to pay to Mrs W more compensation than the £100 that it has agreed to pay her.

Putting things right

I find that it would be fair and reasonable in these circumstances for LeasePlan to reduce the

charge for damage to the car to £582 and to pay £100 to Mrs W to compensate her for the distress and inconvenience that she's been caused. I'm not persuaded that it would be fair or reasonable for me to require LeasePlan to take any other action in response to Mrs W's complaint.

My final decision

My decision is that I uphold Mrs W's complaint in part and I order LeasePlan UK Limited to:

1. Reduce the charge for damage to the car to £582.
2. Pay £100 to Mrs W to compensate her for the distress and inconvenience that she's been caused.

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

Jarrold Hastings
Ombudsman