

## **The complaint**

Mr S complains about end of contract charges applied by Ald Automotive Limited after he returned a car supplied under a hire agreement.

## **What happened**

In November 2020, Mr S was supplied with a new car through a hire agreement with Ald. The term of the agreement was 36 months. He made an advance payment of £1,514.59, and the first regular hire payment was £168.29. This was to be followed by 34 monthly payments of £168.29.

The car was returned to Ald in October 2024 – around a year after the agreement was originally due to end. When it was returned, the car was around four years old, and had covered 20,100 miles. Ald arranged an inspection of the car, during which some damage was noted. Ald charged Mr S a total of £405 for the damage that went beyond fair wear and tear. It provided the following breakdown of the charges:

- Left hand front (LHF) door – Paint chips - £135
- Left hand rear (LHR) door – Paint chips - £135
- Right hand front (RHF) door – Paint chips - £135

Mr S didn't agree the charges were fair. He said the car was returned in excellent condition apart from a small number of paint chips. He didn't think the paint chips went beyond fair wear and tear taking into account the car's age and mileage. He also thought the charges themselves were excessive.

Ald didn't agree it had made an error, and said the damage charges were applied correctly in line with the fair wear and tear guidelines set by the British Vehicle Rental and Leasing Association (BVRLA). Mr S referred his complaint to the Financial Ombudsman Service (Financial Ombudsman). One of our Investigators considered the complaint and didn't uphold it. They said the damage exceeded what was considered acceptable under the BVRLA guidance, and thought Ald had charged Mr S fairly for these.

Mr S didn't accept the investigator's conclusions. He said the car was in an excellent condition for its age. He said that had he known the paint chips exceeded the BVRLA guidelines, he'd have taken the necessary steps to rectify them for a lower cost than Ald had charged. He accepted that one of the doors was more badly chipped than the other two – so said he would pay a maximum of £135. He asked for the complaint to be referred to an Ombudsman for a final decision. So, it's 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.

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 more likely than not to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr S was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means we can investigate complaints about it.

The terms of the agreement state:

*"11. Return of Vehicle (...)*

*11.3 The state of repair of the Vehicle is to be consistent with its age and mileage, assuming good treatment and allowing for Fair Wear and Tear. You will pay us all sums necessary, including Excess Mileage charges, to restore the vehicle to a roadworthy and good condition satisfactory to us"*

The agreement includes the following definition of fair wear and tear, as well as a link to the BVRLA guidelines:

*"“Fair wear and Tear” means the most recent British Vehicle Rental and Leasing Association (BVRLA) guidelines and “Fair Wear and Tear” shall be interpreted in accordance with those guidelines.”*

So I'm satisfied that – under the terms of the agreement – Ald was able to apply charges for damage that went beyond fair wear and tear. I'm also satisfied Ald made Mr S reasonably aware of the requirement to keep the car in good condition and how it would assess fair wear and tear. I've considered whether the charges were applied fairly – taking into account the conclusions reached by the inspector and any other available evidence. I've taken into account the BVRLA guidance on what is considered fair wear and tear.

Mr S doesn't agree that the damage exceeds fair wear and tear taking into account the fact that the car is four years old. The BVRLA guidance is generally intended for new cars that have been returned at the end of their first finance agreement – so it's mainly used to assess damage on cars that are a few years old. I think the BVRLA guidance is relevant here – but I've also taken into account other relevant factors such as the age and mileage of the car.

Each of the charges Ald have applied are for chipped paint on the door edges. The BVRLA guidance states:

*"Chips of 3mm or less in diameter are acceptable provided they are not rusted. A maximum of four chips on any panel, six chips per door edge and eight chips on any forward-facing panel is permitted."*

In their report, the inspector said each of the doors listed above had more than six chips – so went beyond fair wear and tear. The report includes photos of each door, with a measuring tool showing the size of the chips along the edge.

On the LHF door at least seven chips are visible along the door edge, one of which exceeds 3mm. On the LHR door five chips are visible, including two longer chips greatly exceeding 3mm. On the RHF door significantly more than six chips are visible, some of which exceed 3mm.

Taking into account the BVRLA guidance as well as the age and mileage of the car, I'm satisfied that each of the doors listed above have paint chips along their edges that go

beyond fair wear and tear. I don't therefore think it was unfair for Ald to charge Mr S for these.

Mr S says the costs quoted by Ald are excessive, and that if he'd known the damage needed to be repaired, he could have arranged this himself at a lower cost. It's always possible that a customer will be able to obtain a quote cheaper than the amounts they've been invoiced for. That doesn't necessarily mean the amounts charged by a lender aren't fair.

In the circumstances, I don't think the amounts Ald have charged are out of line with what I'd normally expect for damage of this nature. In addition, Mr S had the option of arranging repairs to the car himself before returning it. In its guidance, the BVRLA advises customers to arrange repairs for any areas of damage before returning a car, ensuring work is carried out to a professional standard.

So, taking all of the circumstances into account, I'm satisfied the charges were applied fairly by Ald. I don't therefore require Ald to waive the charges or take any further action.

### **My final decision**

My final decision is that I don't uphold Mr S' complaint about Ald Automotive Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 June 2025.

Stephen Billings  
**Ombudsman**