

The complaint

Mrs J complains about charges invoiced to her by LeasePlan UK Limited ("LeasePlan") shortly after a car that had been on hire to her under a hire agreement ("agreement") was returned.

What happened

In 2016 Mrs J was supplied with a car under an agreement with LeasePlan.

In 2024, at the end of an extended hire term, Mrs J returned to the car to LeasePlan. Shortly after the cars return LeasePlan had an inspection on it undertaken following which it invoiced Mrs J £281.04 for damage to four wheels at £70.26 a wheel, damage that LeasePlan deemed to be beyond fair wear and tear.

Unhappy with the above Mrs J complained to LeasePlan and then our service.

Mrs J's complaint was considered by one of our investigators who came to the view that LeasePlan could fairly and reasonably charge Mrs J £210.78 for damage to three wheels at £70.26 a wheel but not £281.04 for damage to four wheels at £70.26 a wheel.

LeasePlan accepted the investigator's view but Mrs J didn't. And because of the latter Mrs J's complaint has been passed to me for review and 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 can confirm that I've come to the same overall outcome as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

First, 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.

Finally I would add that as LeasePlan has accepted our investigator's view that it should waive the damage charge in respect of the LHR wheel I've restricted my consideration in this decision to the damage charges invoiced to Mrs J in respect of the three remaining wheels.

On signing the agreement Mrs J agreed to the following at 10.6.

"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. We will only ask for payment where such costs exceed £150.00 (excluding VAT) or such other amount as we may from time to time notify to you in writing. Where the costs are more than this amount, you will pay the full costs (and not just the excess). If we decide for any reason not to undertake any such repair or replacement, we shall be entitled to claim from you, as damages for failure to keep the Vehicle in good repair and condition, a sum equivalent to the estimated cost of such repair or replacement. Such claim shall be in addition to any other right which we may have against you for any breach of your obligations to us;..”

So with the above in mind I'm satisfied that on the car's return LeasePlan had the right to charge, and Mrs J had an obligation to pay, for any damage to the car deemed to be beyond fair wear and tear.

Now to be fair to Mrs J she doesn't dispute LeasePlan's right to charge, and her obligation to pay, for any damage to the car deemed to be beyond fair wear and tear. Instead, Mrs J submits that damage to the three wheels our investigator concluded LeasePlan could charge her for, a conclusion LeasePlan accepted, was reasonable damage for an eight year old car.

Like the investigator I don't think its appropriate, when thinking about what constitutes fair wear and tear, the guidelines issued by the British Vehicle Renting and Leasing Association ("BVRLA") in this case given the car's age on its return, although there is some argument to say that these guidelines are appropriate given the car's mileage on its return being only 29,884.

But having reviewed the pictures supplied with the inspection report I'm satisfied the damage to the three wheels in question aren't just over the standards deemed acceptable by the BVRLA but substantially over. In my view the pictures show damage to the:

- RHR wheel which is pronounced and deep and which covers over 100mm of the wheel's circumference
- RHF wheel which covers over 200mm of the wheel's circumference
- LHF wheel which is pronounced and deep and covers over 300mm of the wheel's circumference

With the above in mind I'm satisfied that the damage to the three wheels in question is substantially beyond what could be deemed to be fair wear and tear for an eight year old car with 29,884 miles on the odometer and this is damage LeasePlan can fairly and reasonably charge Mrs J for.

Having concluded that LeasePlan is entitled to charge for the damage to the three wheels in question I've gone on to consider whether a sum of £210.78 for this damage is fair and reasonable.

While I appreciate that £210.78 isn't an insignificant amount of money, I don't find I've the grounds to say the individual charges are unfair. There's nothing in the agreement that says LeasePlan can't charge what it would cost a manufacturer garage (for example) to rectify the damage. These charges seem to be in line with, or indeed cheaper than, that.

I note that Mrs J has suggested that she should get credit for returning the car with less miles on the odometer than the agreement allowed for. But the agreement makes no allowance for such a credit and I'm satisfied, based on what Mrs J has said and submitted, that she entered into the agreement in the full knowledge of this fact.

So while I sympathise with the position Mrs J finds herself in, I'm satisfied that LeasePlan can fairly and reasonably seek payment of £210.78 from her.

My final decision

My final decision is that LeasePlan UK Limited can fairly and reasonably seek recovery of the sum of £210.78 from Mrs J. However, I would remind LeasePlan UK Limited of its regulatory obligations, in seeking payment of the sum of £210.78 from Mrs J, to treat her positively and with forbearance if she is in financial difficulties, something I understand might be the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 12 March 2025.

Peter Cook
Ombudsman