

The complaint

Mr D complained about end of contract charges for a car supplied on finance by Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions.

What happened

Novuna supplied Mr D with a new car on a hire agreement in April 2019. The initial contract was for 48 months but Mr D said he extended the contract on a rolling basis and decided to end the hire the car back in October 2024.

In December 2024 Novuna's agent completed an inspection and told Mr D there would be around £720 in charges relating to damage to the car. The mileage by this point was around 38,800 and it was around five and a half years old. Mr D said that the charges were excessive, and he did not agree. He said that there were claims of dents that were not there, damage to the bumper that he could not see. He said the photos don't clearly show the damage or through the paint as claimed. He said that the majority were flecks of dust/muck. He said that this was an alarming cash grab at the end of a long-term lease which had caused stress as he was trying to get some financial relief.

Novuna wrote to Mr D setting out the charges. He said that Novuna explained that a discount was because the car was over four years old, which he thought was dishonest and manipulative.

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| Sill panel right – scratched through paint 100mm+ - refinish | £121.80 |
| B Post R – scratched through paint up to 25mm – smart repair | £43.50 |
| C Post L – scratched through paint 26-100mm – refinish | £121.80 |
| Front Wing L – scratched through paint 26-100mm – refinish | £121.80 |
| Front Door L – scratched through paint – up to 25mm – smart repair | £43.50 |
| Rear Door L – scratched minor dent 26-100mm – refinish | £121.80 |
| Rear Alloy Wheel L – corrosion/rust – alloy smart repair | £56.55 |
| Bonnet – multiple chips – smart repair | £43.50 |
| Front bumper scratched corner bumper up to 25mm | £69.60 |

Mr D said that although some items were removed, and a discount of £150 applied, leaving a charge of around £590, the only item he accepted was damage to the left rear alloy wheel. He referred his complaint to our service.

An investigator considered the complaint. He said that he had considered the industry standards to work out whether the damage was in excess of fair wear and tear. He summarised the charges that had already been waived, but didn't comment further on those.

Our investigator considered the evidence for the remaining charges and said that most of the remaining damage charges had been applied in line with the industry standards, because the images reflected that they were in excess of fair wear and tear for a car of this age.

But our investigator upheld the complaint in part. He said that Novuna should remove a charge for a scratched front bumper.

Novuna agreed to remove the charge. Mr D disagreed, he said:

"I would be unhappy to pay the bonnet £43.50 as none of the dents shown in the photo are over 3mm. I would strongly disagree with the amount of dents too. The front wing L £121.80 is an excessive cost, and that scratch was not through the paint. I don't agree with the C-post at £121.80, front door L £43.50, Rear door L £121.80. They are claiming the scratches and dents are through the paint, to the metal work, I just don't agree with that, and at the time did not. If I had been aware of their nonsense, I would literally have bought T-cut and got rid of the scratches they claim are through to the metal. I told them this in my original complaint and do mean it. If Novuna are unwilling to waive these costs I would be happy for an ombudsman to look at this and decide, as I feel the practice is unacceptable to the consumer".

Mr D asked for the complaint to be decided by an ombudsman, so the complaint has been passed to me.

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've read and considered the evidence submitted by both parties but I'll focus my comments on what I think is relevant. If I don't comment on a specific point it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and wider circumstances.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it.

As Mr D has not agreed with the reduction in charges, I am making a final decision on this case. Both parties have broadly agreed that the initial charges found in the inspection were removed, so I don't consider it necessary to focus on all aspects of this complaint in detail. However, for completeness I will cover my findings on the key matters.

Novuna set out in the terms of the agreement that there is an expectation that the car will

be returned in a good condition, and that damage beyond fair wear and tear will be chargeable in line with the British Vehicle Rental and Leasing association (BVRLA). When Mr D entered into the hire agreement, he accepted these terms and conditions.

In making my decision I've taken into account relevant industry standards from the BVRLA. I've also carefully considered the images supplied and that the agreement went on longer than initially intended. The guidance says that age and mileage are factors which need to be taken into account when considering what would be deemed fair wear and tear.

Novuna explained that some charges had already been removed. In the final response it said that charges for three items had already been removed, the rear bumper, rear alloy wheel right and rear screen washer jet. Having looked at the images I agree that the removal of these charges is fair.

I've gone on to consider the evidence of the remaining charges and whether I think they are in excess of fair wear and tear, and therefore chargeable.

- Sill panel right
- B Post R
- C Post L
- Front Wing L
- Front Door L
- Rear Door L

BVRLA guidance says *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.*

The images of these items all show scratches which have either gone through the paint, or also include a dent. So I think these items are fairly chargeable. I also think each charge itself is fair and not excessive.

- Rear Alloy Wheel L

BVRLA guidance says *any damage to the wheel spokes, wheel fascia, hub of the wheel/alloy is not acceptable. There should be no rust or corrosion on the alloy wheels/wheel hubs.* I've noted that Mr D agreed to pay this. But for the avoidance of doubt, the images confirm the damage, and I think this item is fairly chargeable. I also think the charge itself is fair and not excessive.

I've noted that Novuna have also explained that if the condition of the alloys had been brought to its attention during the agreement it could have looked into the whether there was a fault which might have been repaired under warranty. I think this is a reasonable approach and I can't see that Mr D has said that this was caused due to a fault with the car.

- Bonnet

The BVRLA guide advises, *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.* I've considered the multiple images provided and I'm satisfied there are more than eight chips here, and there also seems to be a dent. I appreciate that Mr D thinks the chips are less than 3mm in diameter, but based on the images I disagree. I think these items are fairly chargeable. I also think the charge itself is

fair and not excessive. an overall charge was applied rather than per chip, which also seems fair.

- Front bumper

BVRLA guidance says *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.*

The image shows the scratch, the measure is slightly misaligned, but it doesn't look like it is more than 25mm. It doesn't appear that bare metal is shown, but in any case the description differs to others in the report which make a point of saying "scratched through paint". So I agree with our investigators assessment that this charge should be removed.

I'm mindful the relevant BVRLA guidance says *Charges can still be applied at end of lease in cases where the leasing company decides for commercial reasons not to repair damage or to replace missing equipment before the vehicle is sold.* Ultimately the car may have achieved more had it not been damaged. I think Mr D was fairly warned about the terms relating to damage outside of fair wear and tear when he entered into the agreement, and a reminder was sent towards the end of the agreement. So he had the opportunity to rectify the damage before returning the car.

Novuna also said they would reduce the charges by £150 as a gesture of goodwill. It also said that it had considered the age of the car and already applied a 13% reduction to the damage charges. I haven't seen anything which leads me to think the goodwill gesture was due to a mistake. I think it was more in an effort to retain future business.

While considering the damage here I have kept in mind that the car was more than five years old when it was returned and had travelled around 38,800. But I think the amount of damage shown is more than fair wear and tear for a car of this age and mileage. I can see that Novuna also applied a discount to each charge in consideration that the car had been retained beyond the expectation of the length of the initial hire agreement, which seems reasonable.

I appreciate my decision will be disappointing to Mr D, but I don't find I have the grounds to instruct Novuna to remove further charges. However I agree with our investigator's assessment that the charge for the front bumper should be removed.

My final decision

For the reasons set out above my final decision is that I uphold this complaint and direct Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions to remove the charge of £69.60 for damage to the front bumper.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 July 2025.

Caroline Kirby
Ombudsman