DRN-5540806

The complaint

Ms C complained that the charges imposed at the end of her car finance agreement with Mitsubishi HC Capital UK PLC, trading as Novuna Vehicle Solutions ("Mitsubishi") were unfair.

What happened

Ms C acquired a new Volkswagen, using a consumer hire agreement with Mitsubishi. The agreement started in December 2020 and ran for 36 months. The initial rental was £877.50, followed by 35 monthly rental payments of £292.50. Ms C also elected to take the additional service and maintenance option, which meant additional monthly payments of £23.66 after an initial payment of £70.99.

Ms C extended the contract by a further year, so the car was due to be collected in December 2024. However, as there was an issue with one of the tyres, the collection did not take place as planned. Ms C took the car in for an MOT test and service, as they were due, and the car was then collected in January 2025, at which point there was an inspection of the car and an assessment of its condition.

Ms C told us that, when itemising the faults, the inspector identified corrosion on the alloy wheels and said that she should not be billed for this as it was no fault of hers. Ms C said that the garages that had been servicing the car had never raised it as an issue, and she believes the corrosion should've been pointed out and repaired as part of the maintenance arrangements.

When Mitsubishi issued the final bill, it included the charge for the corrosion, which was £226.20. (Ms C accepted the rest of the charges.) Ms C was unhappy about this charge, especially as she had been paying extra for servicing and maintenance, so she complained to Mitsubishi. However, Mitsubishi did not uphold her complaint

Ms C then brought her complaint to this service. Our investigator looked into it but didn't think it should be upheld. Ms C disagreed and asked that the complaint be referred to an ombudsman.

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 decided not to uphold Ms C's complaint. I'll explain why.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.

Mitsubishi sent in copies of the finance agreement, photographs of the damaged areas of the car, the inspection report, and its invoice for the charges. Ms C sent in her account of the

sequence of events. I've carefully considered all of the information and evidence provided by both parties.

I've taken into account the guidance issued by the industry trade body - the British Vehicle Rental and Leasing Association ("BVRLA") - about charges made when a vehicle is returned at the end of the hire period. A vehicle will naturally incur a degree of wear and tear over the course of a few years, and the BVRLA's guidance sets out what can be considered fair wear and tear when returning a vehicle, and what damage can reasonably be charged for.

Mitsubishi are members of the BVRLA and its letter to Ms C in November 2020 states that the condition of the vehicle on return is assessed using BVRLA guidance. I think it is reasonable for Mitsubishi to use this industry-standard guidance as its benchmark.

Following our investigator's view, Ms C has stated that she is unhappy that this guidance was considered by this service, as she considers that it will be biased towards businesses. However as I noted above, I need to have regard to a number of factors, and in this case I consider the BVRLA guidance to be an example of good industry practice, so have taken it into account in reaching my decision.

When the car was returned in January 2025, it was inspected by a third-party company instructed by Mitsubishi. The inspector's report was also signed by Ms C and lists damage with a total cost of £696. Of this, the damage to the alloy wheels was costed at £56.55 per wheel, so £226.20 in total, and as Ms C accepted the other charges I am only considering this particular element of the damage in this decision.

I should also say here that in its final response letter to Ms C, Mitsubishi said it had considered the age of the vehicle at the time of the collection, and as a result had applied a reduction of 13% on each charge. So the charge per wheel had been reduced from £65 to £56.55. It also said that it had already reduced Ms C's overall bill by £150 as a goodwill gesture, leaving the total amount payable as £546. It did not say that this was in relation to a specific area of damage, so I think it's reasonable to take it as a general reduction of the overall cost.

With regard to the wheels, Mitsubishi said that, in line with the BVRLA guidance, there should be no rust or corrosion on the alloy wheels/wheel hubs. It went on to say it was possible that the repair of the alloy wheels may have been covered under the manufacturer's warranty but that it was now too late to check this. So it said the charges had been applied correctly.

I've looked at the photographs that formed part of the inspection report when the car was collected, and I am satisfied that all four wheels show corrosion. My online research suggests that this particular type of corrosion is caused when the lacquer on the alloy wheel is chipped or scratched and moisture can then penetrate below the surface.

I appreciate that Ms C feels strongly that this should have been pointed out to her and corrected earlier, especially as she had the service and maintenance agreement. However I've looked at the relevant section of the hire agreement – section eight - and it is as follows:

"*8.1. If you have asked us to provide service and maintenance, then subject to clause 8.2 we will pay for:*

(a) any scheduled maintenance (including replacement parts) which we believe is required to keep the vehicle in good order;

(b) replacing tyres which are defective as a result of a manufacturer fault or where the

remaining tread is, due to wear and tear, no more than 2mm;

(c) *puncture repairs, unless the puncture cannot be repaired in which case we will pay to replace the tyre; and*

(d) *break down and roadside assistance as a result of wear and tear or a mechanical issue.*

8.2 You will arrange and pay for delivery of the Vehicle to the service provider for scheduled maintenance or tyre replacement. We will not pay for any damage caused by an accident or careless use of the Vehicle."

I cannot see from that clause that the corrosion on the alloy wheels would be covered, and Mitsubishi also said that it would not be something that would be checked for or identified during regular servicing. I don't know whether Ms C had noticed the corrosion, and therefore would've had had the opportunity to raise it with the servicing garage. I also can't say whether the corrosion might have been covered by a manufacturer's warranty, as I don't have a copy.

Turning to the inspection, I note Ms C's comment that the inspector said she wouldn't have to pay for the damage to the wheels. I appreciate that then being charged for the damage would have been very frustrating. Having said that, I would've expected that, as the charges were set out on the inspection report, there would have been some caveat on the report in relation to the wheels, but there was not. I don't know whether Ms C queried this at the time. Mitsubishi said that it was disappointed to hear about this but that the inspector had no authority to waive charges on its behalf. Having considered this point, I don't consider I can fairly hold Mitsubishi responsible for the actions of a separate company.

Overall, based on the evidence and information provided, I don't think Mitsubishi has acted unfairly here. I say this because it assessed the car based on the BVRLA guidance, as it said it would, and I think it was reasonable for it to make a charge for the corrosion to the alloys. (And as I noted above, this type of corrosion appears to be caused by chips or scratches to the lacquer.) I think the use of the guidance in itself is reasonable, as I explained earlier. Mitsubishi has reduced the charges in part – it discounted them because of the age of the car, and after Ms C's complaint it also reduced the overall charges for damage by a further £150 as a goodwill gesture.

Overall, although I do understand that Ms C feels strongly about this, I don't consider that I can fairly require Mitsubishi to do more than it already has, and therefore I have decided not to uphold her complaint.

My final decision

For the reasons given above, I have decided not to uphold Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 15 August 2025.

Jan Ferrari
Ombudsman