DRN-5624054

The complaint

Mrs B complains that the end of contract charges applied by Volvo Car UK Limited trading as Volvo Cars when a car was returned under a hire agreement were unfair and unreasonable.

What happened

In January 2022 Mrs B entered into a three-year hire agreement for a new car with Volvo Cars. Due to personal circumstances, Mrs B approached Volvo Cars about ending the contract early and returning the car. Volvo Cars agreed to Mrs B returning the car in April 2024.

In line with the hire agreement's terms and conditions, the car was collected from Mrs B by a third-party company. It was also inspected and a condition report prepared.

Mrs B says that although she was asked to sign a screen about the car being collected, she wasn't aware that this was also signing to acknowledge damage that had been found. Mrs B was upset to later receive an invoice for £872.82 for the recorded damage.

The end of contract charges invoice was later reduced to £844.08 as costs for missing number plates were credited back to Mrs B. However, Mrs B says the charges were excessive and, after consulting a local garage, she asked if the car could be returned so she could have the repairs carried out, but this was refused. Mrs B complained to Volvo Cars.

Volvo Cars declined Mrs B's complaint. It said the condition of the car had been considered against the British Vehicle Rental and Leasing Association (BVRLA) guidelines and the damage charged for had been found to be beyond fair wear and tear. Volvo Cars said that the end of contract charges had been fair.

Mrs B complained to this service. Our investigator didn't recommend Mrs B's complaint be upheld. She said that Volvo Cars had reduced the cost of the damages that been noted during the inspection. And that looking at the condition report, accompanying photos and the BVRLA guidelines, she was satisfied the damage was beyond fair wear and tear and that Volvo Cars hadn't acted unfairly when charging for them.

Mrs B disagreed with our investigator's view. She said that she had been charged for new tyres and wheels when these could have repaired. She said Volvo Cars had charged excessive amounts for the repairs which was unfair and unreasonable.

Mrs B asked for a final decision from an ombudsman and 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.

Looking at the terms and conditions of the hire agreement, I can see that when the car is to

be returned to Volvo Cars, if there is any damage then that should be reported and repairs carried out by a Volvo Cars' authorised workshop. The terms and conditions also state that the customer "*may be liable for necessary repair and maintenance costs to bring the car to a standard in line with any applicable industry standard relevant to the assessment for fair wear and tear."*

I've also seen that Volvo Cars wrote to Mrs B prior to the car being collected and set out the return process. This says that the car will be inspected by an independent third-party company for excessive wear tear in accordance with BVRLA's fair wear and tear guide. A link to this guide was also included in that letter. So, I think it's reasonable to consider that Volvo Cars had provided Mrs B with information about what would and would not be acceptable as to fair wear and tear when the car was returned.

Mrs B doesn't dispute that there were areas of damage to the car, in particular to the wheels and tyres but says the repair costs were excessive. Particularly in respect of the cost of replacing two tyres which she says could have been repaired. Mrs B has provided an email from a garage setting out the cost of repairing the alloys and for repairing the tyres which, they said, did not needed to be replaced. She is also unhappy that having requested that Volvo Cars returned the car to her chosen garage for repairs this was declined.

I appreciate Mrs B has confidence in the garage that has provided her with advice about the wheels and tyres, but I don't think Volvo Cars' refusal to have the car returned to this garage for repairs was unfair. This is because the contract was at an end and the collection process had been followed as well as the garage not being a Volvo Cars' authorised workshop.

In terms of what is acceptable fair wear and tear and what is not, Volvo Cars has said it applied the BVRLA guidelines. These guidelines are the industry standard for what damage would be acceptable when returning a car at the end of a credit agreement. I think that Volvo Cars has acted fairly in choosing to use this when a car is inspected at the end of a contract.

I've looked at the photos and descriptions of the damage found during the inspection in respect of the tyres and wheels. Taking these in turn:

- The Front and Rear Alloy Wheels (Left and Right) – are reported to have gouges and scuffs and charges of £65 per wheel have been applied. The BVRLA guidelines state that "*scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels are acceptable*." The photos, I think, are clear and show scuffs and gouges to the trims which are in excess of 50mm. So, I am satisfied this damage is outside of fair wear and tyre and is chargeable. In respect of the amount charged, I don't think the amount is so excessive as to be unreasonable. I appreciate Mrs B was quoted cheaper, but Volvo Cars don't have to accept a lower quote from another garage. I think the charges applied for the front wheels are fair.

- Rear Tyres (Left and Right) – are reported to have cuts to the rubber and charges of £259.54 have been applied to each tyre being the cost of replacement. The BVRLA guidelines state "*there must be no damage to sidewalls or tread or any cracking.*" The photos are clear of gouged cuts into the rubber of the tyres. Mrs B has explained these were likely the result of potholes and while I don't dispute that, this damage isn't what would be considered fair wear and tear. Mrs B's garage has said that as no cord has been exposed, the tyres could be repaired rather than replaced. But while that may be an option, I don't think that Volvo Cars has acted unreasonably in requiring the tyres to be replaced. Damage such as this would have an impact on the sales value of the car, and Volvo Cars has applied the terms and conditions of the agreement when charging for these repairs.

- Front wing (Left) – is reported as having contamination in the paintwork and a charge of £65 has been applied. The BVRLA guidelines state "*obvious evidence of poor repair, such as flaking paint, preparation marks, paint contamination, rippled finish or poorly matched paint, is not acceptable."* The photo shows the paint finish on the wing isn't smooth but appears discoloured and contaminated. I'm satisfied this is beyond fair wear and tear and that the charge is reasonable.

I think Volvo Cars has fairly charged Mrs B a total amount of £844.08 for the damage found on the car when it was returned. I've also seen that there was other damage which had been found but not charged for, which I think is reasonable.

Mrs B has also raised that Volvo Cars seek to make money from their customers in respect of some of the requirements it makes, such as requiring personalised number plates to be fitted at authorised garages while other companies don't. However, I think different businesses will have different rules for things being added/changed to cars, and it isn't in my remit to say a business shouldn't have a certain business policy in place. Here, looking at the charges raised at the end of the contract, I don't think Volvo Cars has acted unfairly. It has credited back charges 8rongly applied for the number plates and not charged for some things. I'm not going to ask it to deduct anything further.

While I appreciate this will be of disappointment to Mrs B, I'm not upholding her complaint.

My final decision

For the reasons given above, I'm not upholding Mrs B's complaint. I would however ask that Volvo Car UK Limited trading as Volvo Cars treat Mrs B with forbearance in respect of any arrangements for the payment of the end of contract charges.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 28 July 2025.

Jocelyn Griffith
Ombudsman