

The complaint

Mr P complains about charges he has been asked to pay by Mitsubishi HC Capital UK PLC, trading as Novuna Vehicle Solutions ('Novuna') since he returned a car he was financing through an agreement with them.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. Mr P took receipt of a new car in March 2022. He financed the deal through a hire agreement with Novuna. The car was inspected and collected at the end of the lease and Novuna sent Mr P a bill for £1,120 to pay for the refurbishment of damage. Mr P didn't think that was fair. He said they should have given him a chance to complete repairs himself and that the charges were too high as he could get the work done for £375.

Novuna reduced the bill by £150 as a gesture of goodwill but they didn't think the charges were unreasonable.

Mr P referred his complaint to this service, but our investigator didn't think Novuna had been unfair either so Mr P asked for a final decision by 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 know it will disappoint Mr P, but I agree with our investigator's opinion of this complaint and for broadly the same reasons. I'll explain why.

The Financial Ombudsman is designed to be a quick and informal alternative to the courts. Given that, my role as an ombudsman is not to address every single point that has been made. Instead, it is to decide what is fair and reasonable given the circumstances of this complaint. And for that reason, I am only going to refer to what I think are the most salient points. But I have read all of the submissions from both sides in full and I keep in mind all of the points that have been made when I set out my decision.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I must make my decision on the balance of probabilities – that is, based on what I consider to be more likely than not to have happened, in the light of the available evidence and the wider surrounding circumstances.

I'm required to take into account the relevant, laws and regulations; regulators rules, guidance, and standards; codes of practice and, when appropriate, what I consider to have been good industry practice at the relevant time.

Mr P acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The industry guidelines for what is considered fair wear and tear when vehicles are returned at the end of their lease, is provided by the British Vehicle Rental and Leasing Association (BVRLA).

The guidance says:

“Charges can still be applied at the end of lease in cases where the leasing company decides for commercial reasons not to repair damage or replace missing equipment before the vehicle is sold.”

The end of lease charges are intended to compensate the business for the loss in sales value the car is likely to achieve as a result of the damage. So, I don't think Novuna were unreasonable to charge Mr P for refurbishment even though they didn't carry out that refurbishment.

Before the car was inspected and collected Novuna sent Mr P a document called *“Preparing to Return your Lease Vehicle”* it explained that the car would be inspected in line with BVRLA guidance, and it provided a link to a video guide on how best to prepare the car for collection. There was also a link to a tool that could help Mr P identify any damage that was likely to be beyond normal wear and tear. I think Mr P was, therefore, given an opportunity to identify and rectify the damage before collection should he have wished to do so. I don't think Novuna needed to return the car to him after it was collected so that he could complete repairs: he'd already had that opportunity.

Novuna have explained that the charges they have applied are consistent with their charging matrix and that that matrix has been agreed with a number of other lease companies. I think the charges are in line with others I've seen levied by other companies in similar circumstances and I'm not persuaded that Novuna have been unreasonable.

Overall, I'm afraid I haven't found reason to uphold Mr P's complaint. I was sorry to hear he is facing some financial difficulties. If he explains that to Novuna I would expect them to be supportive of his situation and to consider whether an affordable payment plan can be agreed.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 September 2025.

Phillip McMahon
Ombudsman