

The complaint

Mrs H complains that the end of contract charges invoiced by Mercedes-Benz Financial Services UK Limited “(MBFS)” when she returned a car were unfair.

What happened

In October 2021 Mrs H entered into a hire purchase agreement (a personal contract plan) for a new electric car with MBFS. The agreement was for 48 months.

In October 2024 Mrs H decided to voluntarily terminate the agreement and return the car. Arrangements were made for a third-party company to collect the car from Mrs H on behalf of MBFS. When the car was collected it wasn't inspected for damage although the car's charger was marked as not being present.

The car was later inspected for damage and a report prepared together with a video. A damage invoice amounting to £1,851.23 was sent to Mrs H by MBFS. Mrs H disputed the damages as she said the car had been in perfect condition, save for an issue with the right-hand front tyre (£102.13) and she made a complaint to MBFS.

MBFS looked at the condition report and video and agreed to remove various items of damage recorded on the invoice as it acknowledged the car hadn't been inspected on collection. MBFS, as a gesture of good will, credited Mrs H's account with £50 for the lack of inspection, which then left an outstanding balance of £869.53 for the end of contract charges.

Mrs H was unhappy at MBFS's response and complained to this service. She said that while she agreed with the charge of £102.13 for the tyre, she disagreed with the remaining ones. She said the charger had been returned and there was no other damage to the car.

Our investigator partially upheld Mrs H's complaint. She said that there was evidence of the following: damage to the car's door shut inner on the right-hand side rear; that the fast charger was missing and the right-hand front rear tyre had the incorrect speed rating. She said the charges for those items was fair. However, our investigator said the charges for the damaged boot lid and the left-hand side rear door inner weren't fair and should be removed.

MBF agreed that it was fair to remove the boot lid damage charge but disagreed with the removal of the left-hand rear door inner. It said the dent to that area was over 13mm in size and had damaged the paintwork down to the base metal. It said these charges were in accordance with the vehicle return standards included in the hire purchase agreement.

Mrs H also disagreed with the view of our investigator. She said there was no evidence of any damage to the car or that the charger was missing on the collection report. She maintains that it is unfair for her to pay more than the £102.13 for the tyre.

As the parties have been unable to reach an agreement 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 seen that contained in the hire purchase agreement there are the vehicle return standards which will be applied when the car is returned at the end of the agreement. These standards set out what will and won't be accepted as reasonable wear and tear.

I've also seen that it isn't disputed that when the car was collected, it wasn't inspected for damage by the third-party company and was actually inspected later when Mrs H wasn't present. I've seen the inspection report and the video that was taken at the time.

MBFS, on reviewing the evidence, removed some of the charges for the reported damage as it acknowledged the evidence didn't support that this was "*aged damage*" although it also said it wouldn't have occurred during the transportation to the inspection centre.

I think MBF's approach was fair in that the car hadn't been inspected at the point of collection. I think the compensation of £50 was reasonable for this failure and its impact on Mrs H. I also think that MBFS is entitled to charge for damage found on the car or for missing items if there is evidence that supports this was linked to Mrs H's use.

When dealing with Mrs H's complaint, MBFS had said that the charge for the missing fast charger was fair as it hadn't been present in the car and that this had also been noted as missing on the collection report. It had also said the damage to the boot lid was beyond fair wear and tear and that the charges for the two rear door inners were fair as the third-party company hadn't utilised this area of the car. It had noted that Mrs H agreed the tyre charge.

After our investigator had reviewed Mrs H's complaint, MBFS said it accepted the removal of the charges for the boot lid and the right-hand door inner. Mrs H says only the charge for the tyre should be applied.

Where evidence is contradictory or missing then I have to decide what is the most likely thing to have happened.

Looking at the collection report on the car I've seen that it does record there was no charger provided. I've seen that there were two chargers supplied with the car to Mrs H, one was black and then there was a fast charger which was yellow. The photo/video of the contents of the boot shows only a black charger. The video of the car covers both the exterior and interior and there is no yellow charger seen.

While I appreciate Mrs H says this charger was returned, I'm satisfied on the evidence that I have seen that this was missing and not returned. Under the terms of the agreement if this item isn't returned then MBFS is entitled to charge for it. I think the charge of £457.00 for this item is fair and I'm not going to ask MBFS to remove it.

The next item of damage for me to consider is the dent to the inner door shut on the left-hand side. MBF says that even if this dent is below 13mm in size the depth of damage to the paintwork makes it chargeable. It has referred to another report, but I haven't received a copy of that. I think it's fair that I look at the inspection report evidence prepared by the third-party company. Looking at the video and photo of this area while I can see the dent, I can't clearly see that the paintwork has been damaged. It also doesn't look as though the dent is over 13mm. I therefore don't think the charge of £130 is fair and I'm asking MBFS to remove this.

Mrs H doesn't dispute there should be a charge for the tyre and so the £102.13 will also remain.

So I'm partially upholding Mrs H's complaint.

Putting things right

I'm asking MBFS to remove the following items from the end of contract charges:

- £50.40 for the scuffed boot lid.
- £130.00 for the dent to the left-hand rear inner door shut.
- £130.00 for the dent to the right-hand rear inner door shut.

The charges for the missing faster charger (£457.00) and the tyre (£102.13) will remain, totalling £559.13. The £50 gesture of goodwill offered by MBFS to Mrs H is to be deducted from that amount if this has not been paid directly to her.

My final decision

For the reasons set out above, I'm partially upholding Mrs H's complaint. I'm asking Mercedes-Benz Financial Services UK Limited to remove the following items from the end of contract charges:

- £50.40 for the scuffed boot lid.
- £130.00 for the dent to the left-hand rear inner door shut.
- £130.00 for the dent to the right-hand rear inner door shut.

The charges for the missing faster charger (£457.00) and the tyre (£102.13) will remain, totalling £559.13. The £50 gesture of goodwill offered by MBFS to Mrs H is to be deducted from that amount if this has not been paid directly to her

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 26 September 2025.

Jocelyn Griffith
Ombudsman