

The complaint

Mr Y complains about charges applied by Volvo Car UK Limited at the end of a car hire agreement.

What happened

In March 2022, Mr Y was supplied with a new car through a hire agreement with Volvo. He made an advance payment of £489 followed by 36 monthly hire payments of £489. At the same time, he took out a service agreement.

The car was returned in March 2025, and Volvo arranged an inspection of the car. The inspector noted some areas of damage and applied the following charges:

- B Post R – Scratched - £65
- C Post R – Scratched - £65
- C Post L – Scratched - £65
- Front left alloy wheel – Gouged - £65
- Front right alloy wheel – Gouged - £65
- Front left tyre – Cut - £240.80
- Front right tyre – Uneven wear - £240.80
- Boot – Scratched – £65
- Rear bumper – Scuffed - £65
- Front right door – Dented - £48
- Front bumper – Chipped - £95
- Rear bumper – Scuffed - £65

Mr Y made a complaint. While he accepted the majority of the charges, he didn't think the ones applied for the two front tyres or the front bumper were fair. He said his service agreement included a tyre replacement service, which should have covered those issues. He said he was never made aware that there was a problem with the tyres either during the services or MOT carried out by Volvo. He didn't think the damage to the front bumper went beyond fair wear and tear. He also said the charges were excessive. Volvo didn't agree it had made an error, and said the charges were applied fairly and in line with the guidelines set by the British Vehicle Rental and Leasing Association (BVRLA).

The complaint was referred to this service. One of our Investigators considered the complaint but didn't uphold it. They were satisfied the photos taken during the inspection demonstrated that the front tyres and bumper had damage that went beyond fair wear and tear. Mr Y didn't agree. He said the photo of the front right tyre didn't conclusively show that uneven wear. He also asked for evidence that Volvo had actually arranged the repairs it had charged him for. He asked for the complaint to be referred to an Ombudsman for a final decision. So, it's been passed to me to decide.

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.

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my decision on the balance of probabilities – what I think is more likely than not to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr Y was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means I can consider a complaint about it.

Under the terms of the agreement, Mr Y is liable for the cost of repairing any damage to the car upon its return. I'd only expect Volvo to charge Mr Y for damage that went beyond fair wear and tear. I've considered whether Volvo applied the damage charges fairly – taking the available evidence into account.

The BVRLA sets industry guidance on what is considered fair wear and tear, which I've taken into account. The BVRLA guidance is generally intended for new cars that have been returned at the end of their first finance agreement – so it's mainly used to assess damage on cars that are a few years old. In this case, the car was new when it was supplied to Mr Y, so I'm satisfied the guidance is relevant here.

Mr Y has specifically disputed three of the charges applied by Volvo, and has said he accepts the remaining charges. I've considered each of the charges Mr Y has disputed in turn.

Front bumper chips

I've seen the photo of the front bumper taken by the inspector. From this, I can see the bumper has a number of small chips. The BVRLA guidance says chips of more than 3mm aren't acceptable, and that a maximum of four chips is acceptable on any panel – or eight chips on a forward-facing panel. In this case, it's not clear whether any of the chips were more than 3mm in diameter from the photos – but there are significantly more than eight chips across the surface of the bumper. So, taking into account the photo and the BVRLA guidance, I'm satisfied this damage went beyond fair wear and tear.

Front left tyre cut

The photos of the front left tyre show a cut in the sidewall roughly 15mm in length. The BVRLA guidance says the tyres must not have any damage or cracking to the sidewalls. The cut in the sidewall is clear, and I'm satisfied it goes beyond fair wear and tear.

Front right tyre wear

Volvo says the front right tyre has uneven wear. Mr Y disputes this, and says the photos taken by the inspector don't conclusively show that the wear is uneven or caused by anything beyond normal day-to-day driving. The BVRLA guidance says evidence of uneven tyre wear due to under or over-inflation or incorrect steering geometry isn't acceptable. It gives the example of the inner or outer edge of the tyre being unevenly worn to suggest incorrect steering geometry.

I've considered the photos taken by the inspector. While I appreciate Mr Y doesn't agree, I'm satisfied the photos demonstrate that the tyre is unevenly worn on its inner edge. Although the photos don't include any tread depth measurements, the outer edge of the tyre is entirely worn down – and the same can't be said for the rest of the tyre's width. Uneven wear on the outer edge could suggest a steering geometry issue – which can typically be caused by driving-related factors including a minor impact to the wheel. I acknowledge that the inspection doesn't conclusively demonstrate how the wear occurred, but I don't think it needs to do that for me to be satisfied that the damage goes beyond fair wear and tear.

Mr Y says his servicing agreement includes replacement tyres – so these should have been replaced by a Volvo garage prior to the inspection taking place. It was ultimately Mr Y's responsibility to ensure that the car didn't have any damage that went beyond fair wear and tear when it was returned to Volvo – and the allowance for replacement tyres under a service agreement doesn't mean Volvo isn't entitled to charge for damage. Even if I were to agree that the service agreement affected this, I can see the service agreement specifically included replacement of tyres affected by normal wear and tear. As I'm satisfied the two tyres Volvo has charged Mr Y for are damaged beyond normal wear and tear, I don't think it's likely that replacement tyres would have been covered under a service agreement.

So, I'm satisfied each of the charges Mr Y disputes were applied fairly, and that the damage goes beyond fair wear and tear as set out in the BVRLA guidance.

Mr Y has asked for evidence that Volvo actually paid to repair the damage, but I don't think Volvo needs to show this. The charges are intended to reimburse Volvo for the cost of damage to the car that goes beyond fair wear and tear. It's reasonable to assume that damage to the car will have an impact on its resale price, even if Volvo didn't arrange to repair the damage itself.

Mr Y says the charges are excessive, and that he wasn't given the opportunity to rectify the damage himself before the car was returned. I understand Mr Y expected any damage or potential problems to be picked up as part of his service agreement. I can also understand that – from Mr Y's perspective – Volvo both serviced the car and applied the charges without making him aware of any damage. But the complaint I'm considering relates to Volvo's activities as a lender and the charges it applied under a regulated finance agreement. Any activities carried out by a retailer or garage under the same brand are separate to that. While a service or MOT will usually deal with certain serviceable items and issues affecting the roadworthiness of a car, I wouldn't typically expect them to highlight all potentially chargeable damage. And as I've explained, it was for Mr Y to make sure the car didn't have any damage that went beyond fair wear and tear when it was returned.

I also don't think the amounts Volvo charged are out of line with what I'd normally expect for damage of this nature. Mr Y had the option of arranging repairs to the car at his own cost before returning it. In its guidance, the BVRLA advises customers to arrange repairs for any areas of damage before returning a car, ensuring work is carried out to a professional standard.

So, taking all of the circumstances into account I'm satisfied the charges Mr Y disputes were applied fairly by Volvo. I don't therefore require Volvo to waive those charges or take any further action.

My final decision

For the reasons I've explained, my final decision is that I don't uphold Mr Y's complaint about Volvo Car UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 16 October 2025.

Stephen Billings
Ombudsman