

## **The complaint**

Mr B complained that the charges imposed at the end of his car finance agreement with BMW Financial Services (GB) Limited, trading as Alphera Financial Services (“BMWFS”) were unfair.

## **What happened**

Mr B acquired a used Mercedes using a hire purchase agreement with BMWFS. The agreement started in October 2021 and ran for 48 months. The car cost £25,750, all of which Mr B borrowed. The monthly payment was £396.15, with a final payment of £12,289.05 due at the end of the agreement if Mr B wanted to keep the car. The car was just under two and a half years old at the point of supply, and the mileage stated on the invoice was 15,191.

Mr B returned the car in February 2025, after voluntarily terminating the agreement. The mileage on return was 40,730.

BMWFS issued a vehicle condition report, and an invoice for £400, this being charges for damage to the car. BMWFS said this was for scratches on both front wheels and one of the rear wheels, chargeable at £80 per wheel, and a scratch on the right-hand front door, chargeable at £160. It further said this was in line with the standards set out in the British Vehicle Rental and Leasing Association (BVRLA) Fair Wear and Tear Guide.

Mr B was unhappy with this, and complained to BMWFS. He said that he thought there should be a greater allowance for damage as the car was used when it was supplied, and he thought a charge of £200 would be fair.

BMWFS issued its final response letter to Mr B, saying that it remained of the view that the charges were fair, but as a gesture of goodwill it would reduce the charges by £50 to £350.

Mr B then brought his complaint to this service. Our investigator looked into Mr B’s complaint and thought it should be partially upheld. BMWFS disagreed and asked that the complaint be referred to an ombudsman for review.

## **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 to uphold Mr B’s complaint in part. 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.

I’ve taken into account the guidance issued by the BVRLA about charges made when a vehicle is returned at the end of the contract. A vehicle will naturally incur a degree of wear and tear over the course of a few years, and the guidance sets out what can be considered

fair wear and tear when returning a vehicle, and what damage can reasonably be charged for.

BMWFS is a member of the BVRLA and its letter to Mr B about the voluntary termination arrangements states that the condition of the vehicle on return is assessed using BVRLA guidance. I think it's reasonable for BMWFS to use this industry-standard guidance as its benchmark.

BMWFS sent in copies of the finance agreement, and photographs of the damaged areas of the car as part of the inspection report, and its invoice for the charges. From the photographic evidence it seems that there were some additional areas of damage which fell within the allowances in the BVRLA guidance and therefore were not chargeable. So I will not make any comment on those.

The images include a ruler alongside each area of damage, to demonstrate the size. Looking at the image of the left-hand front wheel, I can see that there is damage to the rim. The BVRLA guidelines state that scuffs of up to 50mm on the total circumference of the wheel rim are acceptable. In this case the area of damage is much larger than that, so I think it's fair for BMWFS to charge for this area of damage at its rate of £80.

With regard to the right-hand front door, the image shows a large scratch. The BVRLA guidelines state that surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out. The scratch on the door is much greater than that, so I'm satisfied that it's fair for BMWFS to charge for this area of damage at its rate of £160.

Turning to the images of the left-hand rear wheel and the right-hand front wheel, I can see damage to both, but it is less pronounced than the damage to the left-hand front wheel – and in each case appears to be on or just over the 50mm allowance in the guidelines. The guidelines do require the age and mileage of the car to be taken into account in assessing the damage, and here the car was nearly two and a half years old at the point of supply, and nearly six years old when it was returned. I accept that I don't have a vehicle condition report from the point of supply, but I think it's reasonable to take it that the car would've had a greater degree of wear and tear than a newer car. So on balance I don't think it fair for BMWFS to charge for the damage to these wheels, given that it is so near to the 50mm allowance.

Taking all this into account, my conclusion is that it's fair for BMWFS to charge for the damage to the left-hand front wheel, and the right-hand front door – these charges total £240. But I don't think it's fair for BMWFS to charge for the damage to the left-hand rear wheel and the right-hand front wheel. So I've decided to uphold Mr M's complaint in part and to require BMWFS to reduce its total charge to £240.

### **Putting things right**

BMWFS should reduce the amount due from Mr B in relation to damage to the car to £240.

### **My final decision**

For the reasons given above, I have decided to uphold Mr B's complaint in part, and to require BMW Financial Services (GB) Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 March 2026.

Jan Ferrari  
**Ombudsman**