

The complaint

Miss L complained about end of contract charges for a car supplied on finance by Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions (“Novuna”).

What happened

Both parties are familiar with the events of this complaint, so I’ve summarised these here.

Novuna supplied Miss L with a new car on a hire agreement in January 2020. The contract was for a minimum of 48 months and was signed in November 2019. A first rental of around £700 was required followed by 47 payments of around £235.

Miss L arranged to return the car in February 2025 and Novuna sent its agent to inspect and collect the car. Novuna sent Miss L an invoice for around £1,100 for damage charges.

I’ve listed the charges below:

Area	Damage	Charge
B Post L	Dent and paint damage multiple 16-30mm – repair and refinish	£152.25
Rear Door L	scratched through paint - refinish	£121.80
C Post L	Dent and paint damage multiple 16-30mm – repair and refinish	£152.25
Quarter Panel L	Dent and minor paint damage 0-15mm	£52.20
Rear Bumper	scratched up to 25mm	£69.60
Quarter Panel R	Dent and paint damage 31-100mm repair and refinish	£152.25
Rear Door R	scratched through paint up to 25mm smart repair	£43.50
C Post R	Dent and paint damage 31-100mm multiple repair and refinish	£152.25
Front Door R	Dent and paint damage 16-30mm multiple repair and refinish	£152.25
Front Wing R	Dent 31-100mm	£52.20

Miss L complained to Novuna, she said that she had her own inspection done prior to handing the car back. She said that damage listed in the assessment appeared to be overstated or inconsistent with the car’s condition at the time of return, which was either pre-existing or caused by damage beyond her control. She asked for a detailed explanation and photographic evidence. Miss L said the damage was not shown to her on the day the car was collected, and she did not agree with it, and she wanted a statement from the inspector

that collected the car. Miss L said the dispute took time out of her working day and she should be compensated.

Novuna said that it had already reduced the charges by 13% due to the age of the car and £150 as a gesture of goodwill but ultimately did not uphold the complaint.

Miss L referred her complaint to the Financial Ombudsman. She said that Novuna only took 24 hours to respond to her complaint which suggested that it hadn't been fully investigated. She said she'd asked for a statement from the inspector who collected the car, and she didn't get this. She wasn't told about the damage and wanted the total amount waived as it was dishonest and she hadn't agreed with it. The car had been handed back with lower mileage than allowed.

An investigator considered the complaint. He said that he had considered the industry standards to work out whether the damage was in excess of fair wear and tear. Our investigator said the damage charges had been applied in line with the industry standards, because the images reflected that they were in excess of fair wear and tear for a car of this age. He initially asked Novuna to waive one of the charges because he wasn't satisfied that the photo reflected the damage. But he later changed his opinion and said he didn't think that Novuna needed to do anything further to resolve the complaint.

Miss L disagreed. In summary she said that the agent that collected the car failed to disclose all visible and known damage to the car. She also said that nondisclosure materially influenced her decision to purchase and was central to her claim. Miss L asked for an ombudsman to make a decision, so 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.

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 read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and wider circumstances. I don't have the power to interview the parties, compel witnesses or marshal sworn testimony, I'm reliant on the evidence that is put before me.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it.

Having considered all the evidence and testimony from both parties afresh, I've reached the same conclusion as our investigator and for broadly the same reasons. I'll explain why.

Novuna set out in the terms of the agreement that there is an expectation that the car will

be returned in a good condition, and that damage beyond fair wear and tear will be chargeable in line with the British Vehicle Rental and Leasing association (BVRLA). When Miss L entered into the hire agreement, she accepted these terms and conditions.

In making my decision I've taken into account relevant industry standards from the BVRLA. Age and mileage are factors which need to be taken into account when considering what would be deemed fair wear and tear. The guidance also explains that *Fair wear and tear occurs when normal usage causes deterioration to a vehicle... should not be confused with damage, which occurs as a result of a specific event or series of events, such as an impact, in appropriate stowing of items, harsh treatment, negligent acts or omissions.* In this case the car was supplied new and returned after five years having covered around 36,800 miles.

I've gone on to consider the evidence of the charges and whether I think they are in excess of fair wear and tear, and therefore chargeable. I've also thought about whether each charge itself is excessive.

Miss L hasn't rebutted our investigator's assessment of each of the charges, so I don't find it necessary to go into as much detail on each charge here. Our powers allow me to do this as part of our remit of being quick and informal. What's left for me to decide is whether the process for inspection or Novuna's handling of the matter was unfair.

But for the avoidance of doubt, I agree with our investigator's explanation of the BVRLA guidance and his assessment of each of the charges. In my opinion all of the images confirm the damage(s) which seem more than minor, and as a trained inspector has actually seen the car and verified the items in person, I think these items are fairly chargeable.

I've not seen anything which shows that these costs are excessive considering the type and extent of repair that is needed. I think the charges can vary depending on the extent of the damage and the type of repair that is needed. And here there are both dents and scratches through the paint. A discount has been applied to each charge to reflect the age of the car, and in addition Novuna have reduced the overall charges by £150 as a gesture of goodwill. So, I also think each charge itself is fair and not excessive.

Miss L said the agent failed to disclose all visible and known damage, and this non-disclosure materially affected her decision to purchase and was central to her claim. I think Miss L is implying that the damage might have been there when she acquired the car. I find it unlikely that a new car was supplied in this condition, and I can't see she's raised this with Novuna earlier as I would expect if it was pre-existing damage (and judging by the images should have been apparent). I can see that Miss L also signed a pre-delivery inspection which didn't highlight anything. Given Miss L had the car for five years and drove around 36,800 miles, I find it more likely that the damage has been caused during her possession of the car and not when the car was supplied or collected.

I think Miss L was fairly warned about the terms relating to damage outside of fair wear and tear when she entered into the agreement. She was reminded about the process annually and just before the contract ended. Novuna also provided a tool for self-appraisal, which it also said she hadn't used. So, she had the opportunity to assess and rectify the damage before returning the car.

Miss L told Novuna that she had the car inspected herself during the MOT which was carried out at the end of January 2025. I can't see that she's supplied a copy of this to Novuna or the Financial Ombudsman. But taking into account that Novuna's agent saw and inspected the car when it was collected, I think it is reasonable for this later report to be relied on.

I've considered Miss L's testimony that she didn't authorise any damage charges. She said regardless of what damage she was accused of; she should have been shown this on the date of the inspection. I don't have the testimony of the third party, and I don't have the powers to compel witnesses or marshal sworn evidence. Miss L has explained that the inspector told her that charges might apply to which she disagreed. But the agreement and the industry guidance set out the process for the assessment, and her authorisation isn't needed. The third party appointed by Novuna is one that is recognised in the industry to carry out these assessments and document the condition of the car in person, rather than just by assessing photos. Assessments can also be completed after the car has been collected. It was then for Novuna to determine the level of charges, in line with the BVRLA guidance, and to provide Miss L with an invoice once it had assessed the independent report. Novuna didn't need to provide a statement from the inspector, that is what the report is for.

I also appreciate that Miss L has said the car was returned with lower mileage than required. However, the terms of her agreement allow her a maximum mileage of 40,000, it doesn't provide for a refund where the total mileage allowance isn't achieved.

I've thought about Novuna's handling of Miss L's claim. It responded to her concerns promptly and in detail, and I don't think its answer was unreasonable or that it treated her unfairly.

While considering the damage here I have kept in mind that the car was five years old when it was returned and had covered around 36,800 miles. But I think the amount of damage that I've seen, is more than fair wear and tear for a car of this age and mileage.

I appreciate my decision will be disappointing to Miss L, but I don't find I have the grounds to instruct Novuna to refund any of the damage charges.

Miss L doesn't need to accept my decision. She might decide, after taking appropriate legal advice, to pursue the matter through other avenues such as through the court.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 15 October 2025.

Caroline Kirby
Ombudsman