

The complaint

Mr C complains about charges he was asked to pay by Mercedes-Benz Financial Services UK Limited, trading as Mercedes Benz Financial Services ('MBFS') after he returned a car he had been hiring through a finance 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 C took receipt of a new car in November 2020. He financed the deal through an agreement with MBFS. When the agreement came to an end the car was inspected and collected. Mr C subsequently received an invoice for end of hire charges. He didn't dispute the charge for excess mileage, but he was unhappy with the charges MBFS levied for a missing charging cable, a missing V5C, a missing service and for refurbishment of damage to the vehicle. He said the inspector told him he didn't have to return the cable and that MBFS were unreasonable not to subsequently remove the charge when he offered to. He also said that the inspector had told him it wasn't necessary to return the V5C, and he disputed the damage charges.

MBFS accepted that they'd been late inspecting the car, and they offered Mr C £50 in compensation. They said the car had subsequently been inspected again as it was dark during the first inspection. They explained that they had not been provided with evidence the last service had been completed. That the damage on the car was beyond what could be considered fair wear and tear and that it was therefore chargeable. They noted that Mr C had claimed the alloy wheel damage had been repaired by a Mercedes dealership but that he hadn't provided evidence of that; they thought the inspection photographs demonstrated the damage was in excess of fair wear and tear. They noted that the charging cable and V5C were missing, and a charge was appropriate.

Mr C referred his complaint to this service. Our investigator thought there was evidence the damage charges had been fairly levied and as it wasn't disputed that the V5C and charging cable were missing he didn't think MBFS had been unreasonable to make a charge for them. He didn't think there had been sufficient evidence provided by Mr C that the service had been completed or the alloy had been repaired by an approved dealership.

Mr C remained dissatisfied, and he asked for a 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 C, but I agree with our investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

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

The terms of the finance agreement held Mr C responsible for keeping the car in good condition. He would be responsible for any damage if the car wasn't returned in the correct condition.

MBFS have their own Vehicle Return Standards (VRS) but 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). I think it's only fair to consider that standard in tandem with the VRS, when considering if the damage in the inspection reports can fairly be considered to be beyond normal wear and tear and if it was fair for MBFS to charge for the missing items.

Missing items

The charging cable and V5C

The BVRLA guidance says that *"both fast and slow charging leads must be present"* and the VRS says the same. In respect of the V5C the BVRLA says *"All vehicle documentation must be intact and present in the vehicle when it is returned including: the V5C"*. The VRS explains that: *"you must return the vehicle together with everything originally supplied with the vehicle: V5C logbook (if applicable), spare/additional keys, transmitter and codes, alarm systems, locking wheel nuts, vehicle handbook, complete service manual and charging cables (if applicable)."*

There's no dispute that the V5C and the charging cable weren't present and while Mr C has explained that the inspector told him they didn't need to be, MBFS dispute that.

While Mr C offered to return the cable, he didn't do that until the car had been returned and sold, and I don't think MBFS were unreasonable to reject that offer as any loss in resale value would already have been incurred.

Overall, I don't think MBFS were unreasonable to charge for a missing V5C or a missing charging cable.

The missing service

The BVRLA guidance says that *"The vehicle must have been serviced and looked after according to the manufacturer's servicing maintenance schedule."* The VRS explains that a full service history is required.

I've not seen sufficient evidence that a final service was completed on this car and as such MBFS were reasonable to make a charge to offset the loss in resale value the incomplete service record would have on the vehicle.

The damage charges

MBFS have their own Vehicle Return Standards (VRS) but 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). I think it's only fair to consider that standard in tandem with the VRS, when considering if the damage in the inspection reports can fairly be considered to be beyond normal wear and tear and if it was fair for MBFS to charge for the missing items.

I've considered the photographs of the damage in the inspection report and compared the damage to the two standards. The damage consists of scratches, dents and alloy damage and the relevant guidance says:

Scratches

The BVRLA says:

"surface scratches of 25mm or less where the primer or bare metal is not showing are acceptable provided they can be polished out. A maximum of four scratches on one panel is acceptable"

The VRS says:

"Small scuffmarks are okay, if they don't affect the overall appearance of your car. But, on the bumpers, these must be smaller than 75 millimetres and on body panels, they can be up to 25 millimetres. The scuffs mustn't go down to the base coat or expose the bare metal."

The inspection photographs show that the damage to the bumper and the tailgate exceeds 25mm and has penetrated the base layer, so I think MBFS were reasonable to make a charge for refurbishment.

Dents

The BVRLA says:

"Dents of 15mm or less in diameter are acceptable provided there are no more than two per panel and the paint surface is not broken." And "dents on the roof or swage line of any panel are not acceptable"

The VRS says:

"Minor body dents are fine, but no more than two dents for cars up to two years old and four dents for older cars. The dent size must be smaller than 13 millimetres and free from paint damage."

Alloy wheels

The BVRLA guidance broadly agrees with the VRS here. That says:

"Small chips, scratches or scuffs on the total circumference of the wheel are fine, providing they can be repaired to a professional standard. Damage greater than 50 millimetres to the rim, or any damage to the wheel spokes, fascia or hub of the alloy wheels aren't acceptable. We can't accept any changes to the colour or specification of the original wheel."

While Mr C says he had the alloy repaired at an authorised dealership I've not seen evidence of that and even if I had I don't think MBFS had to waive the charge, Mr C's claim

would have been with the dealership for faulty workmanship, but his responsibility was to return the car in an acceptable condition. Having reviewed the evidence, the damage is in excess of the guidance and a charge was merited.

Overall, I don't think MBFS have been unreasonable here and I'm not asking them to take any action.

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 C to accept or reject my decision before 5 November 2025.

Phillip McMahon
Ombudsman