

The complaint

Miss B complains about the charges FCE Bank Plc, trading as Ford Credit (“FCE”) applied when she returned a car after her hire purchase agreement ended.

What happened

In October 2022, Miss B acquired a new car through a hire purchase agreement taken out with FCE. The cash price of the car was £25,328.56, and after taking account of the advance payment, the credit provided was £22,514.98. The agreement was set up over a term of 27 months, with monthly rentals of £279.73. This meant that if the agreement ran to term, the total amount repayable would be £25,328.56.

Miss B told us:

- When she returned the car, FCE has charged her for wear and tear damage to it, and it's also applied excess mileage charges;
- She accepts the charges for the excess miles she drove, but wants to negotiate the other costs;
- She's shocked at the additional charges as the car was in immaculate condition when she handed it back, and she says that two of the charges relate to known manufacturer's faults;
- She's been charged for a missing parcel shelf which she removed when she cleaned the car and simply forgot to replace. Miss B says she offered to return this, but she had already been charged for a replacement parcel shelf;
- The whole matter has been very distressing – she's been a customer of FCE for about seven years and never previously had problems when handing cars back.

FCE rejected this complaint. It explained that an independent third-party had inspected the car, conducting a comprehensive appraisal and identifying charges deemed applicable based on the car's condition at the time of the inspection. FCE said the total charges, including excess mileage, were £882.80 including VAT.

FCE said that under the terms of the credit agreement, Miss B was responsible for the car until it was collected. And it explained that the *vehicle return guide* it had sent Miss B sets out the requirements for the collection of the car – specifically that the parcel shelf needed to be in place in the car on the date of collection. Because it was not, it said this charge would stand.

FCE told Miss B that it had *“carefully reviewed the charges for the vehicles repair against Ford Credits Wear and Tear guidelines, which are designed to ensure consistent and fair assessments. Your terms and conditions also clearly state that Maintenance of the vehicle is your responsibility, and you must service and maintain the vehicle at your own expense. Furthermore, you are responsible for any damages which are not a result of normal Wear and Tear, including those necessary to repair any damages attributable to excess wear and tear”*.

Our Investigator looked at this complaint and said she didn't think it should be upheld. She reviewed the inspection report and noted that the damage referred to was clearly shown in the pictures provided and she noted that Miss B had signed the agreement in which the condition the car needed to be in was explained. She understood that Miss B had questioned whether the damage could have occurred after she'd handed the car over, but she thought this was unlikely, and in the absence of any information to the contrary she thought it was more likely that the damage had been present at handover.

Miss B disagrees, so the complaint comes to me to decide. She says her car was left on the forecourt for nearly three weeks before it was assessed, and the dents reported on the car were not there when she returned it. She says she cleaned it to an immaculate condition the night before.

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.

Having done so, I've reached the same conclusion as our investigator and for broadly the same reasons.

The *vehicle return guide* sets out in some detail the acceptable return condition of the car. And the credit agreement signed by Miss B when she acquired the new car in October 2022 states that she *"must keep the Vehicle in good condition and repair"*.

It goes on to say that *"You are also responsible for the repair of all damage which is not a result of normal wear and use (and our fair wear and tear standards set out what we do, and do not, consider to be normal wear and tear). This includes those repairs necessary...to repair any damage attributable to excess wear and tear (which is wear and tear in excess of that which would reasonably be expected having regard to the age...of the Vehicle)"*. The *vehicle return guide* says that assessments will be made against the industry guidelines from British Vehicle Rental and Leasing Association (BVRLA).

So, having read this carefully, I'm satisfied that Miss B ought reasonably to have been aware that she was responsible for returning the car in good condition, but the question remains as to whether all the charges applied by FCE are fair and reasonable.

FCE's third party inspection identifies a number of areas of damage that it deems to be unacceptable - outside fair wear and tear. These are:

1. Missing parcel shelf	£154.50
2. Broken left front seat storage tray	£22.53
3. Basic valet	£36.00
4. Dent / paint damage to left C post	£72.00
5. Broken left C post moulding	£23.94

There was also a charge for excess mileage – miles driven by Miss B over and above the level permitted in her hire purchase agreement. This charge was £572.83. I'm not making any findings about the excess mileage charge as Miss B accepts that this charge is due.

Fair wear and tear guidelines have been issued by BVLRA and these are accepted as an industry standard in determining whether damage goes beyond fair wear and tear. I've taken these into account when deciding what's fair and reasonable for FCE to charge Miss B.

I've seen pictures showing the missing parcel shelf, and other photographs of the areas detailed in 2. – 5. above. So I'm satisfied that the charges levied by FCE are fair and reasonable and are in respect of areas identified by FCE as damaged beyond what is recognised as fair wear and tear according to the published industry standards.

Given this, I'm satisfied that the charges FCE asked Miss B to pay were applied fairly and in line with relevant industry guidance and that FCE has acted fairly in respect of the charges it applied.

Miss B says that the car was in immaculate condition when she returned it, but in the absence of any evidence to support this, I simply have to make my decision on the basis of the evidence I have seen – the independent inspection report. And although Miss B implies that the car the vehicle could have been damaged after she left it at the dealership, without any evidence, such as pictures or a video of the car at handover, I'm not persuaded this was likely to be the case.

Miss B had the car in her possession for just over two years and that's significantly longer than the dealership had it before it was assessed. So I think the damage was *more likely* to have happened whilst the car was in Miss B's possession.

Although I can understand that the charges made by FCE have come as a shock to Miss B, I can't say FCE has been unreasonable. The standard the vehicle needed to be returned in had been explained and agreed to, and the charges that have been levied have been limited to those required to bring the vehicle back to the agreed standard.

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 B to accept or reject my decision before 8 December 2025.

Andrew Macnamara
Ombudsman