

The complaint

Mr K complains about charges Mercedes-Benz Financial Services UK Limited (MBFS) asked him to pay when he returned a car he had been leasing through a finance agreement with them. He also says they were wrong not to inspect the car when they collected it.

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 K hired a car using finance provided by MBFS. When he returned the car MBFS didn't inspect it at the kerbside but completed an inspection at the auction house. Mr K complained to MBFS he said the charges they had subsequently asked him to pay were unmerited and that he had been denied his right to be present during the inspection.

MBFS apologised for not inspecting the car in Mr K's presence. They explained that the collection agent had thought the car was a commercial vehicle and hadn't applied the correct process. They offered Mr K compensation of £50 and removed some of the charges but not all of them.

Mr K referred his complaint to this service. Our investigator didn't think the charges had been unreasonable but did think MBFS should pay Mr K a further £200 in compensation for the distress and inconvenience caused by their failure to inspect the car in Mr K's presence.

Mr K disagreed with our investigator's opinion. He said he'd been told there was no damage to the vehicle before the car was taken away and that it was unfair to notify him of charges a month later. He said the damage identified was normal wear and tear and the charges were excessive. Mr K asked for a final 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'm upholding this complaint in part. 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 K acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The finance agreement required Mr K to return the car in line with MBFS's Vehicle Return Standards (VRS). A charge could be applied if it wasn't returned in that condition, to compensate MBFS for the cost of repairing the damage or the cost of the consequent reduction in sales value.

While MBFS have their own VRS 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). MBFS aren't members of the BVRLA but as that's the industry standard I think it's fair to consider the damage on the inspection report in light of both standards.

Dents

The BVRLA guidance 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."

The VRS says:

Minor body dents are acceptable provided that they are less than 13mm in diameter – maximum 4 dents per panel for vehicles over two years old.

I've reviewed the photographs of the damage to the rear bumper and the door shut inner RHR. Both have dents in excess of 13mm and a charge has therefore been fairly applied.

Scratches

The BVRLA guidance 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:

Light surface scratches not through the top coat which can be removed by polishing/touch up or acceptable and on body mouldings scuff marks up to 50mm, which do not adversely affect the overall appearance of the vehicle are acceptable.

I've considered the inspector's photographs and can see that both of the left hand doors and the door shut inner exhibit scratches in excess of 25mm that are through the base coat, so a charge is applicable.

Arm rest

The BVRLA guidance says that interior trim mustn't be torn and the VRS says there should be no damage to interior mouldings. MBFS were able to reduce the charge for this damage to £50.40 to affect a repair. I think that was fair.

Scratched lamp

The BVRLA guidance that MBFS have also applied here says that minor scuff marks on lamps and lenses is acceptable providing it doesn't exceed 25mm. The inspection photographs show that's not the case here and a charge has therefore been fairly applied.

Tyre LHF

The BVRLA says that tyres must comply with the manufacturer's speed rating and the VRS says they must conform to the original specification. The tyre fitted had the wrong speed rating so I think a charge was reasonably applied.

Wheels

The BVRLA guidance says that scuffing to the rim of a tyre that is less than 50mm across its circumference is acceptable and that there should be no spoke damage. I think the damage to the wheels exceeds this tolerance. So a charge has been reasonably made.

The collection process

MBFS have accepted that they merely carried out a safety check when they collected the car from Mr K. I don't think that was fair and Mr K was denied an opportunity to be present when the car was properly inspected. Given how quickly the car was inspected I don't think it's likely the damage recorded happened after Mr K released the vehicle but I do think the lack of opportunity to be present and the unexpected bill caused him some distress and inconvenience. MBFS have already offered £50 in compensation, but I would agree with our investigator that isn't enough and a further £200 is fair in the circumstances.

My final decision

For the reasons I've given above, I uphold this complaint in part and tell Mercedes-Benz Financial Services UK Limited to pay Mr K a further £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 December 2025.

Phillip McMahon
Ombudsman