

The complaint

Mr R complains about end of lease charges he has been asked to pay by Mercedes-Benz Financial Services UK Limited (MBFS). He says MBFS failed to explain what condition the car he was leasing needed to be returned in.

What happened

Mr R took receipt of a new car in March 2021. He financed the deal through a hire purchase agreement and in March 2025 he voluntarily terminated the agreement. The car was inspected before it was collected and MBFS subsequently sent Mr R a bill for £4,864.62 for refurbishment of damage.

Mr R complained to MBFS and they acknowledged that damage to some alloy wheel could have been repaired and didn't need replacing. They reduced the bill to £3,204.62.

Mr R referred his complaint to this service and our investigator thought MBFS had been unfair to charge for a replacement right hand rear alloy. He suggested a repair was more appropriate and that the £940 charge should be reduced to £110. It was his suggestion that MBFS should amend the final invoice to show the following charges:

- Wheel LHF £940 damaged
- Wheel RHF £110 damaged
- Wheel LHR £110 damaged
- Wheel RHR £940 damaged
- Tyre LHF £281.54 gouge
- Tyre RHF £281.54 gouge
- Tyre RHR £281.54 gouge
- Quarter panel LHR £260 Dented

Mr R disagreed and said that his main concern wasn't whether the damage exceeded the industry standard, but that MBFS hadn't told him what that standard was to enable him to get repairs completed at more competitive rates before he returned the vehicle. He also said they'd refused to allow him to swap the tyres before the car was collected and that he could have had them replaced with cheaper versions and avoided some costs. MBFS also disagreed with the investigator. They provided a further image that they said was of the right-hand rear alloy and that they said demonstrated it needed replacing. The complaint has been referred to me, an ombudsman, to make a decision.

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 agree with our investigator's opinion of this complaint and for broadly the same reasons.

The Financial Ombudsman is designed to be a quick and informal alternative to the courts. Given that, my role as an ombudsman is not to address every single point that has been made. Instead, it is to decide what is fair and reasonable given the circumstances of this complaint. And for that reason, I am only going to refer to what I think are the most salient points. But I have read all of the submissions from both sides in full, and I keep in mind all of the points that have been made when I set out my decision.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I must make my decision on the balance of probabilities – that is, based on what I consider to be more likely than not to have happened, in the light of the available evidence and the wider surrounding circumstances.

I'm required to take into account the relevant, laws and regulations, regulators rules, guidance, and standards; codes of practice and, when appropriate, what I consider to have been good industry practice at the relevant time.

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

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 (as it applied at the time of inspection) 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 chargeable.

I've considered the photographs of the damage in the inspection report and compared the damage to the two standards.

The right hand rear alloy wheel

The BVRLA guidance says:

“Scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels/wheel hubs are acceptable. Dents on wheel rims are not. Any damage to the wheel spokes, wheel fascia, or hub of the wheel is not acceptable.”

The VRS was listed on Mr R's finance agreement and stated:

“Your vehicle must conform to the original specification of the vehicle. It must have matching tyres (of a size and premium brand, approved by the manufacturer) on each axle...” and minor scuffing or damage under 25mm to the vehicle alloy or steel rim edge or wheel face is acceptable.

But MBFS have also provided us with a link to their *published* VRS and that says:

“Damage to the rim greater than 50mm, or damage to the wheel spokes, fascia or hub or alloy wheels” is unacceptable.

I think it's fair to consider this *published* version as it's the more lenient of the two VRS guidelines I've seen, the one that MBFS appear to have relied on, and the one that more closely aligns with the BVRLA industry guidance.

The inspection photographs of the right-hand rear alloy show damage that exceeds the guidance as scuffing is in excess of 50mm. I don't think however that MBFS have been able

to demonstrate that the wheel couldn't have been repaired and on balance I'm persuaded it could have been and that a charge of £110 is more reasonable to carry out that repair. MBFS should therefore reduce the charge from £940 to £110

I've considered the rest of the damage that MBFS are charging for and I note that Mr R doesn't disagree with the investigator's analysis that it is all in excess of the relevant standards. I don't therefore think I need to comment on that any further save to say that I have reviewed the photographs against the standards and would agree with our investigator that charges are merited.

Mr R says he wasn't given the VRS so that he could affect repairs at a more reasonable cost before returning the car. I think he was given the standard as it's in the finance agreement he signed with MBFS. It's also published online and while I have found the versions to be different, I think it would have been clear to Mr R that the damage subsequently identified was in breach of either standard. I don't think Mr R has been disadvantaged.

Mr R has suggested he could have had repairs completed at a lower price and with cheaper components, but he had that opportunity before he returned the car and he didn't get the work done. I don't therefore think MBFS had to take account of that argument, and I also note that the return standards required parts to be replaced with those of the same specification.

Overall, I think the charge for the right-hand rear alloy needs to be reduced to £110 and the overall invoice should be for £2,374.62.

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 reduce the charge for the right-hand rear alloy to £110 and revise the total amount due accordingly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 January 2026.

Phillip McMahon
Ombudsman