

The complaint

Miss E complains about end of lease charges Mercedes-Benz Financial Services UK Limited (MBFS) have asked her to pay.

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.

In December 2021 Miss E entered into a Personal Contract Purchase agreement with MBFS for a new car. When the car was returned and inspected MBFS identified damage that they said was beyond reasonable wear and tear. They sent Miss E a bill for £1,174.45.

Miss E complained to MBFS, she said the damage wasn't excessive, but the charges were. MBFS thought all the damage was beyond the level of reasonable wear and tear set out in the Vehicle Return Standard (VRS) Miss E had been given at the inception of the agreement.

When Miss E referred her complaint to this service our investigator agreed that most of the damage was fairly chargeable but he didn't think the damage to two alloy wheels had been adequately demonstrated in the inspection photographs. MBFS agreed to remove those charges, totalling £220.

Miss E was still unhappy with the reduced bill, so she 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 agree with the investigator's view of this complaint and for broadly the same reasons.

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.

Miss E acquired her car under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

The finance agreement required Miss E 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.

Miss E was advised of the VRS before she returned the car and could have arranged repairs before the inspection. I don't think MBFS had to give her that opportunity after the car was inspected as at that point the agreement had ended and any delay in resale of the car may have resulted in a loss of value.

The alloy wheels

There's no longer a dispute that the damage these charges relate to has not been adequately evidenced. I agree with that assessment, and I think MBFS should waive the £220 they've charged.

Bonnet dent

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, and that dents that go through the paint are not acceptable.

The inspection photographs show the paint surface is broken and I therefore think the charge was reasonable. I'm also persuaded that the amount charged is reasonable and in line with the charging matrix MBFS use in these circumstances.

Bumper and wheel arch 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 are 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 although a measuring tool is not shown I'm satisfied the bumper and wheel arch scratches are in excess of 50mm, so charges are applicable. MBFS charged £30 to repair each scratch and I think that was proportionate.

Broken grille

There's no dispute that the grille is broken and in those circumstances a charge to replace it is proportionate. MBFS have evidenced the cost of a replacement, and I'm persuaded the charge they've made is justified and proportionate.

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 remove the £220 charge they've applied for refurbishment of the alloy wheels.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 11 March 2026.

Phillip McMahon
Ombudsman