

The complaint

Mr G complains about end of contract charges when his agreement with Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions ended.

What happened

In 2020 Mr G was supplied with a car and entered into a lease hire agreement with Novuna.

At the end of the agreement the vehicle was inspected. Novuna sent Mr G an invoice for damage charges.

Mr G disputed the charges. He felt that the damage was within fair wear and tear.

Novuna didn't uphold the complaint. It said the charges had been correctly applied.

Mr G remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said the damage was outside of fair wear and tear and that Novuna hadn't acted unfairly by raising the charges.

Mr G didn't agree so I've been asked to review the complaint.

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 G but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file but I'll concentrate my comments on those points which are most relevant to my decision, if I don't comment on a 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.

The lease hire agreement states that Mr G must return the car in good condition and that any damage which goes beyond fair wear and tear is his responsibility. Fair wear and tear guidelines have been issued by the BVLRA. These are accepted as an industry standard in determining whether damage exceeds fair wear and tear.

Mr G has been charged for damage totalling £454.68. The damage has been assessed with reference to the BVLRA guidelines. In addition, the inspection agent applied a 13% reduction to each damage charge to reflect the age of the vehicle.

I've reviewed the inspection report including the photographs. I've also taken account of the points made by Mr G in response to the investigator's opinion.

Mr G has accepted the investigators opinion relating to the left rear door, so I won't comment further on this item of damage.

I've carefully reviewed the items of damage having regard to the BVLRA guidelines. Having done so, I agree with the conclusions and reasoning given by the investigator.

To address some of the points made by Mr G in response to the investigator's opinion. In relation to the damage to the bumper and bonnet, the photos show that these areas have more than 4 chips. Mr G has said that up to 8 chips are permitted on front panels. However, I'm not persuaded that the bumper and bonnet fall within the definition of front panel. In relation to the scratches on the front wing, centre right post and tailgate, I've looked at the photos and I'm of the opinion that the scratches have gone through to the paintwork. In relation to the rear alloy wheel, I'm satisfied that the photos show that the paint has started to flake. Mr G has said that he's never had the wheels repaired and that the paint must be flaking as a result of a manufacturing defect. I'm unable to say whether the wheels have been the subject of repair or not as there's no evidence either way. Novuna has addressed this point in its final response. If there was an issue with flaking paint on the alloy wheel when Mr G got the car, or which arose during the agreement, then it was his responsibility to notify Novuna of this so that a claim could be made under the manufacturer's warranty. I haven't seen any evidence that Mr G raised any issues regarding the wheels during the agreement.

Mr G has said that he doesn't think a 13% reduction in the charges is fair because he had the car for 5 years. He says the standard lease hire agreement term is 3 years. There's no standard term for a lease hire agreement as customers can choose their own term length. The BVLRA guidelines don't distinguish between a vehicle which is 3 years old or 5 years old, and don't specify that a discount should be given. The discount in Mr G's case has been applied by Novuna. There's no obligation on Novuna to give a discount and in the circumstances, I think a 13% reduction is fair and reasonable given the age of the vehicle.

Mr G has queried why he's being charged for repairs when no repairs were carried out before the vehicle was sold at auction. There's no obligation on a finance provider to carry out repairs, but it's reasonable for the finance provider to charge for the cost of repairs because the value of a car which has suffered damage and hadn't been repaired is diminished when it comes to be sold.

Taking all the available information into account I'm unable to uphold the complaint.

My final decision

My final decision is that I'm unable to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 February 2026.

Emma Davy
Ombudsman