

The complaint

Mr R complains about charges applied by Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions at the end of a car hire agreement.

Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance was previously known as Hitachi Capital (UK) PLC. For ease, I've referred to it as Novuna in this decision.

What happened

In November 2020, Mr R was supplied with a new car through a hire agreement with Novuna. He made an initial rental payment of £2,811.31 which was to be followed by 35 monthly rentals of £234.28. After this, Mr R had the option to continue the agreement for a further 12 months – bringing the hire period to 48 months.

Mr R asked Novuna to collect the car in December 2024 – but this was delayed and re-arranged for January 2025. Novuna arranged an inspection of the car, and applied charges for the following damage:

- Carpet – Holed and in need of replacement - £350.12
- Missing grommet - £0.60
- Front left alloy wheel – scuffed - £56.55
- Rear right alloy wheel – scuffed - £56.55
- Front right alloy wheel – scuffed - £56.55
- Front right wing – dented - £52.20

This came to a total of £572.57. Mr R made a complaint. He said the collection had been delayed through no fault of his own, and he'd continued to pay for the car during this time. He didn't think the charges were fair, and said he'd taken good care of the car and had it inspected and repaired before the collection. He said he'd never missed a payment, and had covered fewer miles than the agreement allowed him to.

Novuna thought the charges were fair. It said the damage had been assessed in line with guidelines set by the British Vehicle Rental and Leasing Association (BVRLA) and went beyond fair wear and tear. It said the charges included a 13% deduction to reflect the car's age and mileage, and as a goodwill gesture agreed to a further deduction of £150. It also agreed not to charge Mr R for the failed collection or the rental payments after the first collection attempt. This left £422.57 for Mr R to pay.

The complaint was referred to this service. One of our Investigators considered the complaint and was satisfied the damage went beyond fair wear and tear and that the charges were fair. Mr R disagreed and provided a statement from his garage confirming that it had arranged some repairs before the car was collected. He accepted the carpet had a hole but didn't think this was unreasonable given the car's age and mileage. He asked for the complaint to be referred to an Ombudsman for a final decision. So, it's been passed to me to decide.

Mr R has also referred to the presence of mould in the car and says this was due to the car having a faulty seal when it was supplied to him. This complaint relates only to the charges applied by Novuna at the end of the agreement. If Mr R is concerned that the car was faulty when it was supplied to him, he'd need to raise that separately with Novuna in the first instance.

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.

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my decision on the balance of probabilities – what I think is more likely than not to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr R was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means I can consider a complaint about it.

The terms of the agreement say Mr R is responsible for keeping the car in good condition and repair, and that he'll be responsible for any damage beyond fair wear and tear as set out in the BVRLA guidelines. I've considered whether the charges were applied fairly, taking into account the inspector's report and other available evidence.

The BVRLA sets industry guidance on what is considered fair wear and tear, which I've taken into account. The BVRLA guidance is generally intended for new cars that have been returned at the end of their first finance agreement – so it's mainly used to assess damage on cars that are a few years old. In this case, the car was new when it was supplied to Mr R, so I'm satisfied the guidance is relevant here.

It's not disputed that the collection of the car was delayed. Novuna has already agreed to waive the failed collection charge as well as any payments due after the original collection date – which I find fair. So, I'll focus on the damage charges applied by Novuna.

Carpet hole

The BVRLA guidance says carpets shouldn't have any holes. The inspection report shows a hole in the carpet measuring around 50mm in diameter – and Mr R doesn't appear to dispute this. Given the size of the hole, I don't find the inspector's conclusion that the carpet needed to be replaced to be unreasonable. So, I'm satisfied this damage went beyond fair wear and tear and the charge was applied fairly.

Missing grommet

The BVRLA guidance requires all interior fittings to be present and intact. Novuna applied a charge of £0.60 for a missing grommet. The photos show a missing grommet in the car boot.

Alloy wheels

The BVRLA guidelines allow for scuffs of up to 50mm on the total circumference of each alloy wheel rim. The photos taken at the time of the inspection show clear scuff marks to the

front left, front right and rear right alloy wheels. The photos include a measuring tool against each of the scuffs, and I'm satisfied they exceed 50mm on each wheel. So, I'm satisfied this damage goes beyond fair wear and tear.

Front wing

The BVRLA guidelines allow for dents of 15mm or less in diameter – as long as the paint surface isn't broken. The inspector's photo shows a dented area with broken paintwork measuring more than 30mm. I'm satisfied this damage goes beyond fair wear and tear.

Considering the available evidence as well as the BVRLA guidance, I'm satisfied the charges Novuna applied represent damage beyond fair wear and tear. Mr R has provided an email from his garage stating that the car was taken to them in December 2024 to be inspected and for any dents and scratches to be repaired. The email states the car had 'no damage on it whatsoever' when the car was returned to Mr R. While I don't doubt Mr R arranged to have the car repaired before the inspection, for the reasons I've explained I'm satisfied Novuna has provided clear evidence of damage beyond fair wear and tear when the car was returned. And it was ultimately Mr R's responsibility to keep the car in a good condition until the date of the collection.

Mr R also notes that he always paid his agreement on time, and that the car was returned with a mileage lower than the agreement allowed. Again, I don't doubt this, but ultimately this doesn't affect Mr R's obligation to keep the car in good condition or Novuna's right to apply charges for damage beyond fair wear and tear.

I appreciate this will come as a disappointment to Mr R, but I'm satisfied the charges were applied fairly. I find Novuna's offer to reduce the balance by £150 – and to waive the failed collection charge and rental payments after the original collection date – to be fair in the circumstances. So, I don't require it to do anything further.

My final decision

My final decision is that I don't uphold Mr R's complaint about Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions, and I don't require it to take any action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 March 2026.

Stephen Billings
Ombudsman