

The complaint

Mr G complains about the charges that Mitsubishi HC Capital UK PLC trading as Novuna Vehicle Solutions (Novuna), applied when he handed back a car he had acquired under a hire agreement.

When I refer to what Mr G and/or Novuna said or did, it should also be taken to include things said or done on their behalf.

What happened

In June 2022, Mr G entered into a hire agreement with Novuna to acquire a car. The agreement consisted of first rental in the amount of £3,436.56 followed by 35 rentals, each in the sum of £286.38.

When Mr G handed back the car, he received end-of-contract charges totalling £407.98. Mr G said he felt that these damages would be within the category of fair wear and tear. He said he believes they were unfair, excessive, and based on an inspection process that was neither impartial nor transparent. Mr G said the car was returned in excellent condition and well below the contracted mileage. Plus, the inspector verbally described the car as immaculate and advised that the tyres would pass an MOT (which they had done).

Mr G said that he made it explicitly clear, at the time, that he did not agree with the report and refused to sign it. Yet, a signature later appeared on the inspection document — without his knowledge or consent. He said Novuna has not provided any evidence to explain how, or by whom, this signature was added. Further, he said Novuna sold the car at an auction without carrying out any repairs, making it difficult to justify these charges, especially since they incurred no related costs. In summary, he believes all remaining charges should be waived.

Novuna wrote to Mr G on 7 July 2025. In this correspondence they said that their end of contract process and assessment of damage is linked to Fair Wear and Tear (FW&T) standards laid down by British Vehicle Rental and Leasing Association (BVRLA). They said these are advised to their customers as part of the contract terms whereby Mr G agreed to return the car in a certain condition. If the car is not brought back in that condition, they said, under the contract they had the right to charge for the damage.

Novuna said they would like to apologise for the inspector's comments, because, they said, inspection agents do not have the authority to give this advice. Also, they said they would pass on these comments to the company that picked up the car. The inspection report was not signed by Mr G but underneath it did say that customer refused to comment after explanation of the findings was provided.

Regarding the damage, Novuna said that the Front Tyre R and Rear Tyre R both had cuts. In line with the BVRLA guide, there must be no damage to sidewalls or tread, or cracking. They said the criteria for passing an MOT and the BVRLA guidelines differ. The FW&T guidelines are for the use of assessing damage at the end of a leasing period, whereas an MOT is used to assess the road legality of a car. Therefore, they said, the car may have

passed an MOT, but the damage to the tyres still did fall outside the guidelines as advised by the BVRLA. As such, charge for the areas of damage have been correctly applied. However, Novuna said they did look at the charges for a new tyre which, they said, can be provided for less. Therefore, they have reduced the tyres to £108.99 each.

The Front Alloy Wheel R and Rear Alloy Wheel R both have scuffed spoke damage. In line with the guide, any damage to the wheel spokes, wheel fascia, or hub of the wheel/alloy is not acceptable. The images provided show clear evidence of the damage to the spokes on both alloys, the Rear Alloy Wheel R also has significant rim damage. Therefore, Novuna said, both charges stand.

The Front Alloy Wheel L and Rear Alloy Wheel L both have scuffed rim damage. As per the BVRLA guide, scuffs totalling up to 50mm on the total circumference of the wheel rim and on alloy wheels/wheels hubs are acceptable. The inspector has provided clear evidence that the damage to the rims of both alloy wheels exceeded 50mm. Therefore, Novuna said both charges have been applied correctly.

The Front Bumper is scratched. The BVRLA guide advises that 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 surface scratches on one panel is acceptable. Novuna said they can see in the images provided by the inspector there is a scuff on the bumper that has multiple scratches, and, although they do not exceed 25mm, they are through the paint. Therefore, this charge has been correctly applied.

Novuna also explained that, as per the BVRLA guide, they are not obliged to carry out repairs. They also explained they send a link to the app when a contract is nearing its end. The app is an appraisal app designed to help customer understand which areas of damage may be identified. Novuna said Mr G had not opted to use this tool prior to the inspection.

In that correspondence Novuna also said that they are glad to see their Collection Appraisal Team had already reduced Mr G's invoice by £150 as a goodwill gesture by removing the charge for the Quarter Panel R, reducing the total cost to £504.46. As such, they confirm the outstanding balance for end of contract damage charges is £407.98 and they are unable to uphold Mr G's complaint.

Mr G remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator thought Novuna did not act unfairly and the £407.98 charge for damages was fair. As such, the investigator did not think it was reasonable to ask Novuna to do anything further.

Mr G disagreed with the investigator. As such, the complaint has been passed to me to decide.

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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

I have summarised this complaint briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr G acquired the car under a hire agreement, which is a regulated consumer credit agreement. Our service can look at complaints about these sorts of agreements. Mr G's agreement with Novuna sets out that he needs to keep and maintain the car in a good state of repair and condition.

When reaching my decision, I'm required to consider relevant industry guidance. Here, relevant guidance includes the guidelines on fair wear and tear published by the trade body, the BVRLA guidelines. This guidance is generally intended for new cars that have been returned at the end of their first finance agreement, so it is used mainly to consider damage to cars that are a few years old. But it can also be used for older cars, where the age of a car and number of miles it has covered are taken into account, when considering what would be deemed fair wear and tear.

I've also considered that the BVRLA guidance is just that - guidance. While I take it into consideration, I also need to reflect on what is fair and reasonable in this specific situation and what the credit agreement stipulates. As such, I think it is fair that any damage is assessed by considering whether it is reasonable to expect this type of damage, given the car's age and mileage.

In addition, I know that Mr G was not happy with the inspector's actions and he was not the one who signed the report, but I can see that underneath the signature area the report did state that the customer refused to comment after the explanation of findings. As such, I think the inspector still made it obvious that Mr G was unhappy with the report. However, I do not think this impacts directly on the outcome that I am deciding, as I need to consider if Novuna acted fairly in relation to each charge. To do this I've taken into consideration the terms and conditions of the hire agreement, BVRLA's guidelines, as well as the age and mileage of the car when it was returned.

I have seen that Novuna assessed the damage report in line with the BVRLA guidelines and reduced the chargeable damage amount to £407.98. However, they said he is still responsible for:

Front Tyre R (£157.23) and Rear Tyre R (£157.23) – cuts.

The BVRLA guidance sets out that there must be no damage to sidewalls or tread, or any cracking. From the report, I see that both tyres have cuts to the sidewalls. I think, most likely, these damages are more than fair wear and tear considering the circumstances.

However, Novuna said they did look at the charges for a new tyre which they said can be provided for less, therefore they have reduced the tyres to £108.99 each, which, I believe, is fair and reasonable.

Front Alloy Wheel R (£65), Rear Alloy Wheel R (£65) - scuffed spoke damage,
Front Alloy Wheel L (£65) and Rear Alloy Wheel L (£65) - scuffed rim damage.

The BVRLA guidance sets out that dents on wheel rims and wheel trims are not acceptable. Scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels/wheel

hubs are acceptable. They also say that any damage to the wheel spokes, wheel fascia, or hub of the wheel/alloy is not acceptable and there must be no rust or corrosion on the alloy wheels/wheel hubs.

From the report, I see that all rims are not within, what would be considered, fair wear and tear. Some have a lot of scuffs, some are very wide and deep, and some are more than 50mm in total circumference. In addition, some of the wheels have the spokes damaged. I think, most likely, these damages are more than fair wear and tear considering the circumstances.

The Front Bumper (£80) – scratched.

The BVRLA guidance sets out that surface scratches of 25mm or less, where the primer or bare metal is not showing are acceptable, provided they can be polished out and provided that there is a maximum of up to four surface scratches on one panel.

From the report, I see that on the bumper there are a few scratches and there are more than four. Hence, I think these would be outside of what would be deemed reasonable fair wear and tear considering the circumstances.

I think, most likely, all the of the above damages exceed what would be considered fair wear and tear in these circumstances. As such, I'm satisfied it is fair and reasonable for Novuna to charge for these damages a total of £407.98. When considering all of the above, I kept in mind that Novuna have already reduced the chargeable damage amount from £557.98 to £407.98. In addition, I have not seen enough evidence to be able to say that, most likely, the actual charges they now want to charge Mr G seem unreasonable.

I know Mr G mentioned that Novuna sold the car at auction without carrying out any repairs, which, he feels, makes it difficult to justify these charges, especially since they incurred no related costs. Plus, he said that he returned the car with less miles than he was allowed. I have considered this however, as per his agreement and the BVRLA guidelines, Novuna were not obliged to carry out the repairs. Novuna took the steps to outline what happens at the end of the hire agreement regarding any damage found. And regarding the mileage, his finance agreement only sets the maximum amount of miles Mr G was able to cover. It does not provide for a reduction in the damage charges if the car is returned with less miles than set at the time of supply. As such, I do not think it would be fair or reasonable to ask Novuna to take any further action regarding these points.

I appreciate that this is not the outcome Mr G hoped for, and I want to express my sympathy for the position he is in. However, I have not seen enough evidence to be able to say that, most likely, Novuna needs to take any further action in relation to his complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 March 2026.

Mike Kozbial
Ombudsman