

The complaint

Mr G complains about charges Ald Automotive Limited (who I'll call Ald) have asked him 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 March 2021 Mr G took receipt of a new car. He financed the deal through a hire agreement with Ald.

When the car was returned Ald sent Mr G an invoice to cover vehicle appraisal, excess mileage and extended hire charges. They subsequently agreed to remove the extended hire charge. Mr G was unhappy with the charges, and he also said they should have refunded two monthly instalments while his car was off the road being repaired. Ald agreed to refund one instalment as a gesture of goodwill.

Mr G referred his complaint to this service, and our investigator provided his opinion. He noted that since the complaint had been referred to this service Ald had agreed some of the vehicle appraisal costs hadn't been adequately evidenced and that they'd reduced those charges from £990 to £705. He thought Ald had been reasonable to waive the extended hire charge and to offer a one-month refund in respect of the loss of use Mr G had experienced while his car was in the garage. But he didn't think the remaining vehicle appraisal charges had been levied unreasonably as he thought the damage was in excess of the industry guidance for fair wear and tear.

Mr G agreed that the excess mileage charges had been reasonably applied but he didn't agree that the vehicle appraisal charges were fair. He said the damage must have occurred when the car was taken away for repair shortly before the end of the agreement. He also disputed the repayment for loss of use. He asked for a 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.

Mr G acquired his car under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

As Ald have waived any excess hire charges and made a payment of £25 to cover any mileage while the car was being repaired, and as Mr G has agreed that the excess mileage charge is now fair, I will not review those matters.

The vehicle appraisal charges

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've reviewed the damage identified in the inspector's photographs and considered that against the BVRLA guidance. I'm persuaded, as our investigator was, that all of the damage that remains is in excess of that standard and charges are reasonable.

Mr G hasn't disputed that, but he has suggested the damage most likely occurred after the car was collected from him for repair and moved locations. I'm required to decide what was most likely to have happened and as the car was in Mr G's possession for much longer than it was in Ald's or any repairers, I think it's more likely than not that the damage occurred in Mr G's tenure. I think the charges have therefore been fairly applied and I'm not asking Ald to waive any of them other than what they've already agreed to.

Repayment for loss of use

Ald have refunded a payment because they accepted Mr G wasn't kept mobile in February 2025, but Mr G says he wasn't kept mobile in March 2025 either and he wants Ald to refund that monthly instalment too.

The car went for repair on 5 February 2025 and when the agreement finished at the end of March 2025 it still hadn't been returned to Mr G. Ald are only responsible for faults that are present, or developing, on the car when it is supplied. If the fault occurs within the first six months of ownership the relevant legislation (the Consumer Rights Act 2015) says we should assume the fault was present when the car was supplied. But as this fault occurred years later the onus would be on Mr G to demonstrate it was present from the onset of the agreement and therefore Ald's responsibility. In those circumstances I may feel it fair to tell Ald to refund instalments covering the whole period as Mr G was paying for a car, he didn't have use of. But here it seems the fault was with the alternator, and I haven't seen anything that would lead me to determine it was a fault that Ald should be liable for. In those circumstances I think they were reasonable to refund an instalment for loss of use, but I don't think they had to refund both instalments.

My final decision

For the reasons I've given above I uphold this complaint in part and, unless Ald have already done so, I tell them to reduce the damage charges to £705, refund the extended hire charge and credit £25 to the account towards any additional miles the car may have driven while being repaired. They should also refund the February 2025 finance instalment in respect of loss of use.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 February 2026.

Phillip McMahon
Ombudsman