

The complaint

Miss H complains about charges Mitsubishi HC Capital UK PLC, trading as Novuna Vehicle Solutions (who I'll call Novuna) asked her to pay when she returned a car she had been financing through an agreement with them.

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.

Miss H took receipt of a new car in August 2020. She financed the deal through a hire agreement with Novuna.

When the car was returned at the end of the hire period it was inspected. Novuna subsequently sent Miss H a bill for the refurbishment of damage they said was present on the car. Miss H explained that the car had been involved in two accidents and had been repaired through insurance claims. She also explained that the inspector had told her she wouldn't be liable for any charges related to those repairs as they'd been completed by reputable garages. Novuna explained they'd passed on Miss H's concerns about the inspector's comments but that their decision was derived by assessing the images in the inspection report against the requirements set out in guidance provided by the British Vehicle Rental and Leasing Association (BVRLA). Having completed that assessment they were persuaded that all of the charges were merited. They reduced the invoice by £150 as a gesture of goodwill.

Miss H was unhappy with their response, and she referred her complaint to this service. Our investigator didn't think Novuna had been unreasonable, but as Miss H continued to dispute the charges her complaint has been referred 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.

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

The finance agreement explained that the car needed to be returned in good condition and repair and that Miss H would be responsible for any damage caused or deterioration of the car otherwise than through fair wear and tear.

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 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 has been fairly charged.

The BVRLA guidance I've applied when reviewing those photographs is as follows:

"Repaired chips, scratches and dents are acceptable provided the work is completed to a professional standard by repairers who can provide full warranty on their work."

"Obvious evidence of poor repair, such as flaking paint, preparation marks, paint contamination, rippled finish and poorly matched paint, is not acceptable."

"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."

"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."

"Scuffs up to 50mm on the total circumference of the wheel rim and on alloy wheels/wheel hubs are acceptable. Dents on wheel rims are not. Any damage to the wheel spokes, wheel fascia, or hub of the wheel is not acceptable."

I've considered whether it was fair for the business to charge Miss H for damage assessed as being beyond fair wear and tear, notwithstanding that the damage had previously been repaired by garages appointed by insurers.

I accept that the repairs were carried out by reputable repairers acting for insurers. However, that does not mean that the business is bound to accept the repairs as meeting the standard required under the agreement. The business is entitled to assess the vehicle against its contractual return standards, which are aligned to the BVRLA fair wear and tear guidance. That guidance allows businesses to charge where repairs are visible, substandard, or adversely affect the vehicle's appearance or value, even if the damage has previously been repaired.

In this case, the business has explained why the condition of the repaired areas fell outside acceptable standards at return and why this affected the vehicle's resale value. Miss H hasn't shown that the agreement required the business to accept insurer repairs without further assessments, or that the charges applied were inconsistent with BVRLA guidance. Miss H may want to address her complaint to the relevant insurers or repairers on the basis that she believes the repairs were not carried out with reasonable care and skill. While the car may no longer be available the inspection photographs are, and Miss H may be able to use those, evidence of the charges she's been asked to pay, and this decision, to support her argument. But taking everything into account, I don't find that Novuna acted unreasonably in applying damage charges, and I do not uphold this complaint.

Miss H has also explained that the inspector suggested charges would be more minimal. I can understand why she'd be unhappy with that advice, but I don't think it's reason to ask

Novuna to reduce the charges. I only have Miss H's testimony that those comments were made and, regardless, I'm persuaded Novuna have made a fair assessment of the damage using the correct industry guidance and that charges are fair.

I understand that Miss H is unhappy Novuna have continued with collection activity while her complaint has been with us. That would normally need to be raised first with the business as a separate complaint, giving Novuna the chance to respond. I can see our investigator has already explained that to Miss H. That said, based on the issues I've considered in this case, I don't think any further complaint about continuation of collection activity is likely to lead to a different outcome. In circumstances where I'm not persuaded the underlying charges were unfair, it would seem reasonable for Novuna to continue seeking recovery of the balance it believes is due.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 10 March 2026.

Phillip McMahon
Ombudsman