

## **The complaint**

Ms A complains about charges Mercedes-Benz Financial Services UK Limited (MBFS) asked her to pay at the end of a lease.

## **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 July 2021 Ms A entered into a hire purchase agreement with MBFS for a new car. When the car was returned and inspected MBFS identified damage that they said was beyond reasonable wear and tear. They also noted that Ms A had covered additional miles in the car. They sent Ms A a bill for £3,839.51 which represented £1,296.22 of damage charges and £2,119.41 in respect of excess mileage.

Ms A disputed the charges, but when MBFS didn't think they'd been unreasonable she referred her complaint to this service.

Our investigator agreed that most of the damage was fairly chargeable, but she didn't think the charge of £35 for an insecure fuel filler cap had been evidenced and MBFS agreed to remove it. The investigator considered the excess mileage charges that had been applied but also found those to be fair.

Ms A didn't agree with our investigator's view of her complaint. She asked for a final 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.

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

## ***Damage charges***

The finance agreement required Ms A to return the car in line with MBFS's Vehicle Return Standards (VRS). A charge could be applied if it wasn't returned in that condition, to

compensate MBFS for the cost of repairing the damage or the cost of the consequent reduction in sales value.

While MBFS have their own VRS, 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). MBFS aren't members of the BVRLA but as that's the industry standard I think it's fair to consider the damage on the inspection report in light of both standards.

### ***Door aperture seal***

The VRS says that torn rubber aperture seals are not acceptable.

The BVRLA guidance says:

*“Door aperture, boot, boot liner and luggage area - Scratches on treads, sills and seals that reflect normal use are acceptable. Torn or split floor coverings and damaged surrounding trim panels are not acceptable.”*

The inspection photographs show the seal is torn and I think a charge is merited.

### ***Parcel shelf***

The VRS says that broken or damaged parcel shelves and load covers will not be accepted.

The BVRLA says:

*“Passenger area, seats, headrest and trim - The interior upholstery and trim must be clean and odourless with no burns, scratches, tears, dents or staining. Door aperture, boot, boot liner and luggage area - Scratches on treads, sills and seals that reflect normal use are acceptable. Torn or split floor coverings and damaged surrounding trim panels are not acceptable. Accessories such as parcel shelves, load covers, boot liners and nets must be returned with the vehicle.”*

The upholstery is torn and the parcel shelf is delaminated. I'm satisfied that the damage is in excess of the relevant guidance and the charge is reasonable.

### ***Alloy wheel damage***

The BVRLA guidance says:

*“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.”*

The VRS is similar.

Three alloys show scuffing in excess of 50mm and I think the charges are justified.

### ***Cracked windscreen***

The VRS says:

*“Cracks within chips are unacceptable.”*

The BVRLA says:

*“Light scratching is acceptable provided it does not interfere with the driver’s line of sight and the heating elements and the ADAS (automated driver assistance systems) still work properly. Damage in excess of 10mm in the driver’s line of vision (a vertical strip 290mm wide centred on the steering wheel), or in excess of 40 mm elsewhere in the area swept by the vehicle’s wiper blades, is not acceptable.”*

I think the photographs show a crack of over 10mm and that the damage is in the line of vision. I’m satisfied the charge to replace the windscreen was reasonable and proportionate.

### **Tyre**

The VRS says any gouged, cracked, cut, torn or plugged tyre side wall isn’t acceptable.

The BVRLA guidance says:

*“There must be no damage to sidewalls or tread or any cracking.”*

The tyre sidewall is cracked, and I’m satisfied that the charge was therefore fair and reasonable.

### **The fuel cap**

MBFS haven’t demonstrated the fuel filler cap was insecure and I don’t think that charge is justifiable.

So having considered the damage charges that have been applied I’m persuaded they have been levied fairly with the exception of the £35 charge for the fuel filler cap that should be removed.

### **The excess mileage charges**

The finance agreement explained *“If you return the vehicle to us and you have exceeded the total permitted mileage, which is based on an annual permitted mileage of 10,000 miles, an excess mileage charge of 9.00p excluding VAT for each mile will be payable by you for each additional mile exceeding the total permitted mileage.”*

Ms A says the business acted unreasonably in charging excess mileage because the additional miles were incurred during the COVID period when she was working as a key worker. I have carefully considered those circumstances. However, the finance agreement clearly set out the permitted mileage and the charge payable for any excess, which formed part of the pricing structure of the agreement. There is no provision within the contract allowing for adjustment of the mileage limit due to changes in personal or working circumstances, and I have seen no evidence that the business agreed to waive or vary those terms. While I understand why Ms A feels her situation warrants special consideration, I am satisfied the business applied the excess mileage charge in line with the agreement and has not acted unfairly or unreasonably.

### **My final decision**

For the reasons I’ve given above, I uphold this complaint in part and tell Mercedes-Benz Financial Services UK Limited to remove the charge they have levied for an insecure fuel cap.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 11 March 2026.

Phillip McMahon  
**Ombudsman**