

The complaint

X complains about charges Mercedes-Benz Financial Services UK Limited ('MBFS') asked her to pay after she voluntarily terminated a finance agreement.

What happened

I issued a provisional decision on this complaint last month. An extract from that provisional decision is set out below.

X entered into a hire purchase agreement with MBFS to finance a vehicle.

The vehicle later broke down and was recovered by a third party before being returned to MBFS.

Following inspection MBFS applied charges for damage and for missing items including a charging cable and a spare key.

X disputed these charges saying the vehicle and its items were returned and that any issues may have arisen after the vehicle left her control.

When X referred her complaint to this service our investigator didn't feel there was reason to uphold it. X disagreed and has asked for a decision by an ombudsman.

What I've provisionally 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 don't currently agree with our investigator's view on the whether X should be liable for replacing the charging cable.

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.

Where a vehicle is returned under a hire purchase agreement the consumer remains responsible for its condition at the point it leaves their possession.

However, it is for MBFS to show on the balance of probabilities that any damage or missing items were present at that point.

In this case there is no contemporaneous inspection or agreed record of the vehicle's condition when it was recovered and handled by third parties before being inspected by an MBFS agent.

So I have considered each of the disputed charges carefully in light of that evidential gap alongside MBFS' Vehicle Returns Standards and relevant industry guidance such as that issued by the British Vehicle Rental and Leasing Association (BVRLA).

*The VRS and the BVRLA guidance both make clear that consumers are responsible for **damage that falls outside of fair wear and tear**, including more significant scratches, dents, or defects which would require repair or replacement.*

Having reviewed the inspection report images and the nature of the damage identified, I'm satisfied that the damage to the vehicle is of a type that exceeds what could reasonably be considered fair wear and tear.

This includes damage such as deeper scratches and defects to body panels and components, as well as issues with wheels and tyres which fall outside acceptable tolerances set out in the guidance.

These are not minor or superficial marks that could be expected through normal use, but instead represent damage that would reasonably require repair before the vehicle could be resold.

I've also considered whether the circumstances of recovery create sufficient doubts about when this damage occurred.

While I accept the vehicle was handled by third parties after it broke down, I haven't seen evidence to suggest that the type or extent of damage identified is more likely to have arisen during the process rather than during X's use of the car.

In the absence of such evidence, and taking into account the nature of the damage and the supporting inspection material, I'm satisfied MBFS have shown, on balance, that these charges have been applied fairly.

*In relation to the **charging cable** I think there is a reasonable possibility that it remained in the vehicle at the point of recovery and was subsequently lost or misplaced during handling.*

Given the lack of evidence showing it was missing when the vehicle left X's possession, I'm not satisfied MBFS have shown this charge is fair. X has explained, and it seems reasonable, that the cable was always kept in the car and that she wouldn't have had cause to remove it.

So I think the charge for the charging cable should be removed.

*However, I take a different view in relation to the **spare key**.*

A spare key is a distinct item which would usually be consciously handed over, and I would reasonably expect some evidence or record if it had been returned.

X has said the key was handed over but I've not seen any supporting evidence of this such as a receipt or confirmation.

While MBFS cannot prove a negative I also haven't seen anything to persuade me that the key was returned and subsequently lost by them.

MBFS' inspection evidence shows the key was not present and they having incurred a cost in replacing it.

Taking everything into account I think it is more likely than not that the spare key was not returned and so I find that charge has been applied fairly.

My provisional decision

For the reasons I've explained I'm expecting to uphold this complaint in part and to tell Mercedes-Benz Financial Services UK Limited to remove the charge relating to the charging cable and recalculate the outstanding balance accordingly. I am not expecting to require them to take any further action in relation to the spare key or the remaining damage charges.

The parties' responses to my provisional decision

Neither party responded to my provisional decision.

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.

As I've not been provided with any further comments or evidence, I've found no reason to change my provisional decision and that now becomes my final decision on this complaint.

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 relating to the charging cable and recalculate the outstanding balance accordingly. They don't need to take any action in relation to the spare key or the remaining damage charges.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 6 May 2026.

Phillip McMahon
Ombudsman