

## **complaint**

Mr A complains about the amount that he's been charged by Hitachi Capital Vehicle Solutions Limited, trading as Hitachi Capital Driving Instructor Solutions, for damage to a car that he returned at the end of his hire agreement.

## **background**

A new car was supplied to Mr A under a hire agreement with Hitachi Capital that he signed in February 2016. The agreement was for two years but Mr A extended it to February 2019. Hitachi Capital arranged for the car to be collect from him in February 2019 by a third party and it was inspected. The inspection report identified damage to the car and recommended charges for that damage of £920. Hitachi Capital charged Mr A £920 but he complained to it. He said that his problem was not with the inspector's findings but with the price and the process.

Hitachi Capital said that the charges had been correctly applied in line with the terms of his lease and the British Vehicle Rental and Leasing Association guidelines. Mr A wasn't satisfied with its response so complained to this service and to the British Vehicle Rental and Leasing Association. It confirmed that the charges were justified.

Our investigator didn't recommend that this complaint should be upheld. He didn't think that it was unfair for Hitachi Capital to charge Mr A for the damage or that it had acted unfairly or unreasonably. He said that it followed the process outlined in the terms and conditions that Mr A had agreed to and Mr A had three weeks from when the collection date was given to him and he could have had the car repaired during that period.

Mr A has asked for his complaint to be considered by an ombudsman. He has responded in detail and says, in summary and amongst other things, that:

- consumers should be provided with clear information and kept appropriately informed before, during and after the service provision;
- he was not provided with a reminder of the fair wear and tear provision before the collection date;
- he doesn't agree that there was damage to the left front door, left quarter panel, bonnet and left front wing;
- Hitachi Capital hasn't complied with the guidance about investigations – and he's quoted from some guidance;
- he's been a Hitachi Capital customer for eight years and none of the cars that he's returned has been deemed to be damaged but it's charging him this time when he's not taking another agreement with it;
- he received a quote of £250 for the repairs from a garage;
- he should not have to pay any amount but would be comfortable with paying £250 as a compromise; and
- he's not received a copy of the contract.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr A extended the end of his agreement from February 2018 to February 2019 by signing a modification agreement. He was discussing a new agreement with Hitachi Capital but it sent him an e-mail in January 2019 which said that it had *"no alternative but to book your vehicle in for collection at the end of the contract"* and a collection was booked for three weeks later.

Mr A had signed the hire agreement in February 2016. It said that *"If you fail to use, look after or maintain the vehicle properly you may have to compensate us (see clauses 5, 6 and 16)"*. He says that he's not received a copy of the contract so I asked the investigator to send him a copy of it and the modification agreement.

Mr A now says that he doesn't remember signing the modification agreement, it doesn't include the car's registration number and he thinks that his signature was forged on it. But Hitachi Capital has provided an e-mail from Mr A's e-mail address to which the signed modification agreement was attached and which said: *"please find attached signed contract for extension on [and quoted the car's registration number]"*. So I consider that he did sign the modification agreement – and he also kept the car until February 2019.

Clause 16.3 of the terms and conditions says:

*"You will ensure that on return the Vehicle ... is in good order, repair and condition (except for Fair Wear and Tear)"; and: "On or after the return of the Vehicle, we will arrange for it to be inspected and will notify you of the estimated costs of any works of repair or replacement required to restore the Vehicle to be in compliance with clause 16.3".*

Mr A says that he had a mechanic inspect the car just before its return and it quoted £252.08 for repairing the damage.

I agree with Mr A that it would be reasonable to expect Hitachi Capital to have done more to inform him about the return process and standards. But Mr A had signed the agreement so I consider that he would have known, or ought reasonably to have known, that the car would be inspected and that he would be liable for any damage beyond fair wear and tear.

Mr A doesn't agree that there was damage to the left front door, left quarter panel, bonnet and left front wing. So I'm not persuaded that it's likely that he would've arranged for that damage to be repaired before the car was inspected - even if he'd been given more information about the return process by Hitachi Capital.

I consider that Hitachi Capital has complied with the clauses about the return of the car that it agreed with Mr A in the hire agreement. The car was inspected on its behalf by a third party. The inspection report identified damage to the car and included photos of the damage. The damage was described as: dented bonnet, left front wing and rear bumper; scuffed front bumper and all wheel trims; and poor repairs to the left front door and left quarter panel. It recommended charges totalling £920 for that damage. The report says that *"Customer refused to sign report"*.

Mr A doesn't agree with much of that damage. But in his complaint to Hitachi Capital he said that his problem was not with the findings from the inspector but the price and the fact that he wasn't allowed to see the inspector's report or images of the damages to the car. And he arranged for a garage to quote for the repairs. The quote includes repairs of all of the damage included in the inspection report – and refers to removal of dents from the bonnet

and left front wing. I consider it to be more likely than not that there was damage to those areas – if not I don't consider that the garage would have been able to quote for repairing it.

Mr A has complained to the British Vehicle Rental and Leasing Association about the charges. It considered the evidence in the inspection report and confirmed that the charges were justified. Mr A hasn't agreed with its conclusions.

Having considered all of the available evidence, I consider it to be more likely than not that the car was damaged as described in the inspection report and that the damage is more than would reasonably be considered to be fair wear and tear. Hitachi Capital has charged Mr A for that damage in accordance with its standard charges and I'm not persuaded that there's enough evidence to show that those charges were excessive.

The quote that Mr A has provided is significantly less than Hitachi Capital's charge. But that doesn't show that Hitachi Capital's charges are excessive or that it's unfair or unreasonable for it to charge Mr A that amount. Mr A had the opportunity to have the car repaired before it was collected – but he didn't do so. I don't consider that there was any requirement for Hitachi Capital to return the car to Mr A after it had been inspected for him to have the car repaired.

I consider that Hitachi Capital should have done more to inform Mr A about the collection process and the car return standards. But I'm not persuaded that it would be fair or reasonable for me to require it to pay any compensation to Mr A (or to take any other action) because of its failure to do so. And other than that, I'm not persuaded that it's acted unfairly or unreasonably in its dealings with Mr A. So I find that it wouldn't be fair or reasonable for me to require it to waive or reduce the amount that it's charged Mr A for the damage – or to take any other action in response to his complaint.

### **my final decision**

For these reasons, my decision is that I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 May 2020.

Jarrold Hastings  
**ombudsman**