

## **complaint**

Miss S complains about the amount she has been charged for damage to a car that she returned when she ended a hire purchase agreement with Advantage Finance Ltd.

## **background**

In January 2014 a car was supplied to Miss S under a hire purchase agreement with Advantage. The agreement was to last for four years. Unfortunately, in February 2016, following a change in her circumstances Miss S had to voluntarily return the car and bring the agreement to an end.

She returned the car and Advantage arranged for it to be inspected. Following the inspection Miss S was sent an invoice for £1582. This was to cover the cost for fixing the damage found on the car.

Miss S complained to Advantage. She said the car's condition was what would be expected for one of its age and mileage. She thought the charges were excessive. She also said she wasn't present when the inspection took place and she'd only been given three photographs of some of the damage.

Advantage disagreed with Miss S. It said the car had been independently inspected and if she had wanted to confirm the condition of the car when it was returned she could've got her own independent inspection done. But Advantage said as a gesture of goodwill it would reduce the outstanding invoice by 50%.

Miss S complained to this service. Our adjudicator investigated her complaint. She recommended it was upheld. The adjudicator said there wasn't any evidence about the condition of the car at the point of sale. She said that some wear and tear would be expected on a car of that age and mileage.

The adjudicator also said that there was a long list of faults with the car, but only three photographs, two of which weren't very clear. The adjudicator agreed that Miss S should pay for the damage to the front bumper which was shown in one of the photos, but not for the other damage.

Advantage disagreed with the opinion of our adjudicator and the complaint has been passed to me.

## **my findings**

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

I've seen that the car was a 2007 registration and had done around 64000 miles when Miss S took control of it in 2014. She then drove a further 24000 miles before handing it back. I've also seen that the car was worth around £1,600 at the time Advantage received it back.

Advantage says that the car was in such poor condition it had to be sold at an auction and it only achieved around two thirds of its value when sold. It adds that Miss S paid more than the list price when she took possession of it.

I've also the invoice prepared by the independent assessor which lists the damage found on the car including damage to the seat and carpet along with various dents. There were also three photos which weren't very clear though I can see the damage to the front bumper.

I appreciate the report on the car was made following an independent inspection. But I don't have any evidence about the car's condition at the point of sale other than the price. And I don't think it's fair that I treat the car as being in an excellent condition due to the price alone. So I can't say what damage was caused by Miss S

I've also seen that Miss S wasn't given a chance to agree any damage at the time she handed the car back. The car was collected from an agreed place but inspected later. Miss S was sent a copy of the report some time later when she'd asked to see it after receiving the bill.

Looking at the age of the car, I would expect it to be showing some wear and tear. It's unclear what the damage to the seat and carpet were so I can't say this was more than expected wear and tear.

Looking at the dents suffered by the car, as I'm unable to say when they occurred and how they happened, I don't think it's fair to hold Miss S responsible for them. But looking at the damage to the bumper I think it's reasonable for her to pay that cost. I think it's unlikely she would've accepted a car with that damage when it was supplied to her in 2014. The cost of this repair is £175.

I appreciate the car didn't achieve its list price at the auction. But there could've been a number of reasons for this other than the condition. For instance the number of people at the sale and the popularity of that make and model. And as the cost of the repairs was close to the full value of the car I don't think the condition can have been that poor for the car to have achieved the price it did.

So, looking at the evidence I'm partially upholding Miss S's complaint. I think Advantage has been unreasonable in charging Miss S for all the damage it has. I only think it's entitled to charge her £175 to repair the bumper. Miss S has always agreed to pay the balance for terminating the agreement early.

### **my final decision**

I'm partially upholding Miss S's complaint. Advantage Finance Ltd is only entitled to require Miss S to pay the balance of £239.50 for terminating the agreement, together with £175 for the damage to the front bumper.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 3 January 2017.

Jocelyn Griffith  
**ombudsman**