

complaint

Mr G complains about the end of lease charges Mercedes-Benz Financial Services UK Limited ("MBFS") have asked him to pay to refurbish a car he returned to them.

background

Mr G has been represented throughout this case by his daughter Miss G but for ease I will refer to Mr G in this decision even though I'm aware some of the actions may have been his daughters.

Mr G took receipt of a new car in March 2017. He financed the deal through a 12 month hire purchase agreement with MBFS and returned the car a year later.

The terms of his agreement said the car should be returned in a good, clean and marketable condition, otherwise charges may be applied. After Mr G returned the car he got a bill from MBFS. They said an inspection had demonstrated the car wasn't in the right return condition and they'd need to charge him £1,352.37 to refurbish several areas of damage.

Mr G was disappointed with their response and was unable to get MBFS to waive the charges that he said weren't applicable.

So he referred his complaint to this service and our adjudicator provided his view. He explained that the industry guidelines on fair wear and tear, that he'd expect MBFS to assess the vehicles condition against, were provided by the British Vehicle Rental and Leasing Association (BVRLA). So he considered the photographs of the damage that had been provided alongside the inspection report, against this standard.

He didn't think the damage to a quarter panel and to the door were adequately evidenced and MBFS agreed with him and removed these charges. But he did think damage to two wheels; the windscreen and a bumper were evidenced and beyond reasonable wear and tear and he did agree that a wiper blade appeared to be damaged and a charge for a missing vehicle registration document was merited. He noted that MBFS had explained they were prepared to remove the charges for the door and quarter panel and provide a discount of 30% on the remaining bill. He thought the final bill for £582.66 was reasonable.

But Mr G disagreed. He disputed the windscreen damage and explained that the V5 was returned with the car. He said it was difficult to assess the damage in the pictures as the inspector should have included a measurement aide and he asked for a final decision by an ombudsman.

my findings

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

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I know it will disappoint Mr G but I agree with the adjudicator's view and for similar reasons. Please let me explain why.

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.

Mr G acquired his car under a hire purchase agreement. The hire purchase agreement is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of that hire purchase agreement explain that the car should be kept in a good condition and also explain that Mr G will be responsible for the costs of repairs if it isn't.

The industry guidelines that I'd expect MBFS to use to establish what was a fair condition and what damage was beyond fair wear and tear are provided by the BVRLA.

The vehicle inspection appears to have been carried out to that standard and by an independent third party.

Photographs have been supplied of all of the damage that was identified but rulers and viewing aids haven't been added.

I've reviewed each of the chargeable items. I've not been hampered by the lack of measuring guides in the picture as considering the size of the panels and wheels it's been possible to identify that the panel and wheel damage is in excess of the BVRLA standard and I can clearly see extensive damage to the front windscreen and accept that's most likely to have come from a damaged wiper blade. The relevant guidance from the BVRLA is as follows:

- scratches and abrasions up to 25mm are acceptable, relative to the vehicle's age and mileage, and provided the primer or bare metal is not showing.
- mouldings - scuffs and scratches up to 25mm are acceptable provided the moulding or trim is not broken, cracked or deformed.
- windscreen - light scratching is acceptable provided it does not interfere with the driver's line of sight and any heating elements still work properly.
- scuffs totalling up to 50mm on the total circumference of the wheel trim and on alloy wheels are acceptable.
- the vehicle should be returned in a safe, legal and reliable mechanical condition, capable of passing an MOT test. I think it's likely a damaged wiper blade would result in a failed MOT

I've also considered the photographs Mr G provided. They're not date stamped and I think it's fair to say that they therefore carry less weight than those provided in the inspection report which could only have been taken once the car was returned. But when I zoom in to Mr G's pictures the scratch to the bumper and the damaged windscreen are visible. I think the inspector's pictures of the alloys are better. They're closer up and I therefore prefer the evidence they show.

I see that Mr G says he did return the V5 vehicle registration document. I've reviewed the system notes from MBFS and can't see that was mentioned at the time so I'm persuaded

there's a little more evidence the V5 wasn't present on inspection. And even if it wasn't present I see that MBFS have reduced the charge by a further 30%. So I think that would reasonably cover any mistake that may have been made about the presence of the V5.

So overall, I agree that the remaining charges have been fairly made and I think MBFS have been reasonable when agreeing to reduce them further. I don't think they need to take any further action and agree that a final bill of £582.66 is fair and reasonable.

my final decision

For the reasons I've given above I uphold this complaint and tell Mercedes-Benz Financial Services UK Limited to reduce the final bill to £582.66 and remove any adverse reports they may have made to Mr G's credit file in relation to this issue.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 September 2019.

Phil McMahon
ombudsman