

complaint

Mr B complains about end of contract charges and other issues he experienced when he terminated his agreement with Mercedes-Benz Financial Services UK Limited (MBFS).

background

In November 2015 Mr B was supplied with a car and entered into a contract purchase agreement with MBFS. The agreement was due to end in November 2018 but Mr B chose to end it early.

Following inspection of the car MBFS asked Mr B to pay damage charges. Mr B complained to MBFS and said the damage should have been covered by a damage insurance policy he'd purchased from the dealership.

MBFS told Mr B he would need to make a claim to the insurance provided as this wasn't a MBFS product. It offered to waive some of the damage charges leaving Mr B with £1120 to pay.

Mr B remained unhappy and complained to this service. He felt that the damage was within fair wear and tear. He was also unhappy that he'd had to return the car to the dealership several times to have a problem with the satnav fixed and that he'd had to pay for 2 new tyres which should've been replaced for free as part of a recall.

Our investigator upheld the complaint in part. He said the damage charged were fair. He also said that Mr B's use of the car had been affected by the problems with the satnav and recommended that MBFS pay compensation to reflect the trouble and upset caused by having to return the car to the dealership on several occasions and for the impaired use.

Mr B didn't agree. He said the charges for the alloy wheels were excessive and that he should've been given the opportunity to have them repaired himself. He also said he should've been reimbursed for the 2 tyres he had been told to replace.

my findings

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

The terms and conditions of the contract purchase agreement say that Mr B must return the car in good condition and that any damage which exceeds fair wear and tear is the customer's responsibility.

Fair wear and tear guidelines have been issued by the BVLRA and these guidelines are accepted as an industry standard in determining whether damage exceeds fair wear and tear.

I've looked at the inspection report, including the photos. This identifies damage which MBFS says goes beyond fair wear and tear and is therefore chargeable.

Putting aside the charges which MBFS has already agreed to waive, I've looked at the damage to the alloy wheels, the front left dented door, the rear right panel dent, the missing spare key and the V5 registration document. I'm satisfied, based on the inspection report

and taking into account the relevant guidelines that the damage exceeds fair wear and tear. So I think MBFS has acted fairly in asking Mr B to pay the charges.

I've taken into account what Mr B has said about the V5 document being left in the glove box. The inspection report clearly states that it is missing and there's nothing to suggest that it has been found post-inspection. On balance, I think it's reasonable for MBFS to charge for the missing document.

I've also taken into account what Mr B has said about the costs of repair. He says he should've been given the opportunity to arrange the repairs himself, which he says he can do at significantly less cost. It may well be the case that Mr B could have the repairs carried out at less cost but once a car has been returned to the finance company it's no longer possible for the customer to arrange for repairs. Repairs can be arranged by the customer before the car is returned and Mr B had the opportunity to do this. The car return standards are set out in documentation which was provided before the agreement was terminated so Mr B would've been aware of the condition he needed to return the car in to avoid damage charges.

I've also considered Mr B's comments about the 2 tyres he purchased. I understand why Mr B feels that he should be refunded. However, I'm unable to hold MBFS responsible for this because it was the dealership and not MBFS who told Mr B to replace the tyres. If Mr B wants to pursue a complaint against the dealership for incorrect advice he may consider a complaint to The Motor Ombudsman. The same principle applies in relation to the damage insurance policy which Mr B thought that the dealership had arranged for him.

Mr B says he had to take his car back to the dealership several times because of a problem with the satnav. I've looked at the job sheets and I can see that the car was returned on 7 occasions in February and March 2016. Given that the car was brand new at the point of supply, I don't think a reasonable person would expect to encounter a fault with the satnav within the first 6 months. In the absence of any evidence to the contrary, it seems likely that there was a fault with the satnav at the point of supply. The fault was fixed but I'm satisfied that Mr B was inconvenienced at having to return to the dealership several times in a very short space of time and suffered a loss of enjoyment when driving the car with the faulty satnav system.

my final decision

My final decision is that I uphold the complaint in part. Mercedes-Benz Financial Services UK Limited should pay compensation of £100 to Mr B for the trouble and upset caused by having to return to the dealership several times and £100 for loss of amenity due to the faulty satnav system.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 September 2019.

Emma Davy
ombudsman