



27 November 2019
VRA Seminar

**Latest Thinking on BVRLA Fair
Wear and Tear Standard &
Guidelines**

Nora Leggett, Director of Member Services, BVRLA



bvrla.co.uk



Aim of this session

- Insights into updating the BVRLA Fair Wear & Standard and BVRLA Fair Wear & Tear Guidelines
- Share principles, process and procedure at end of contract: why customers complain and how the industry can improve its communication to customers – how our remarketing partners can help
- A look at what's changing and why

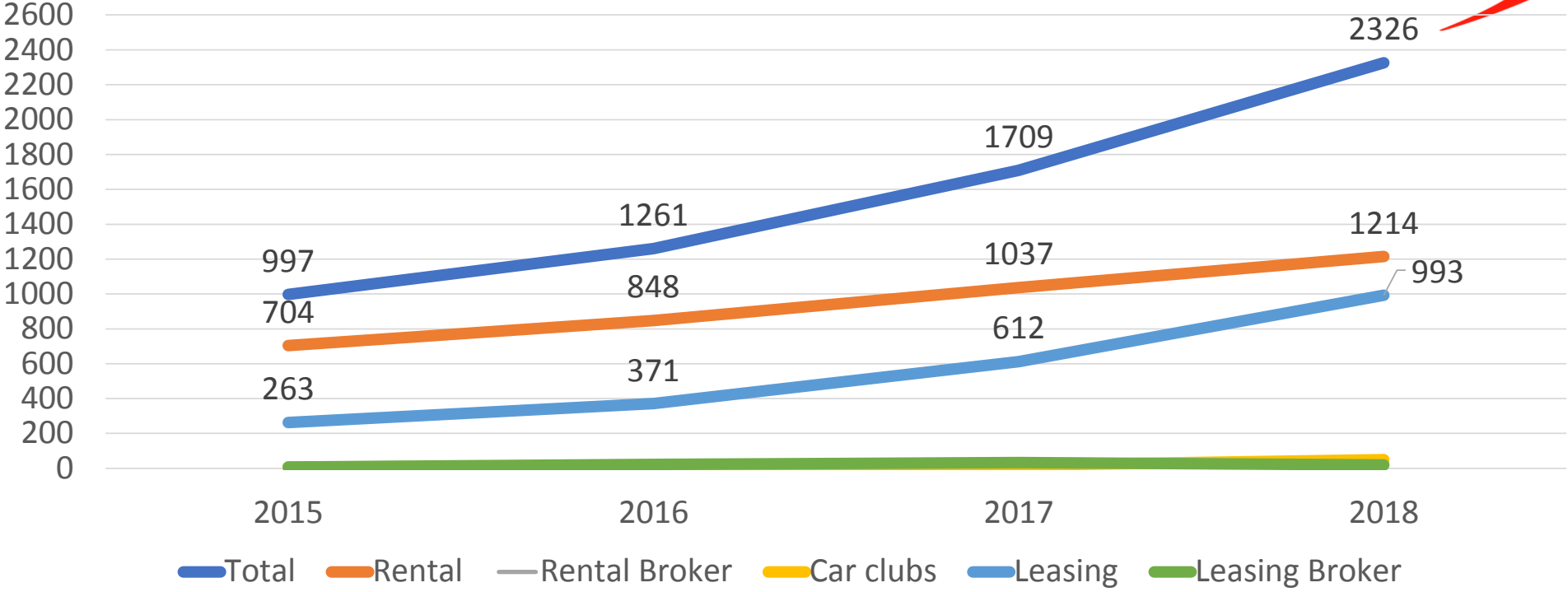


BVRLA Fair Wear & Tear Standard and Guidelines

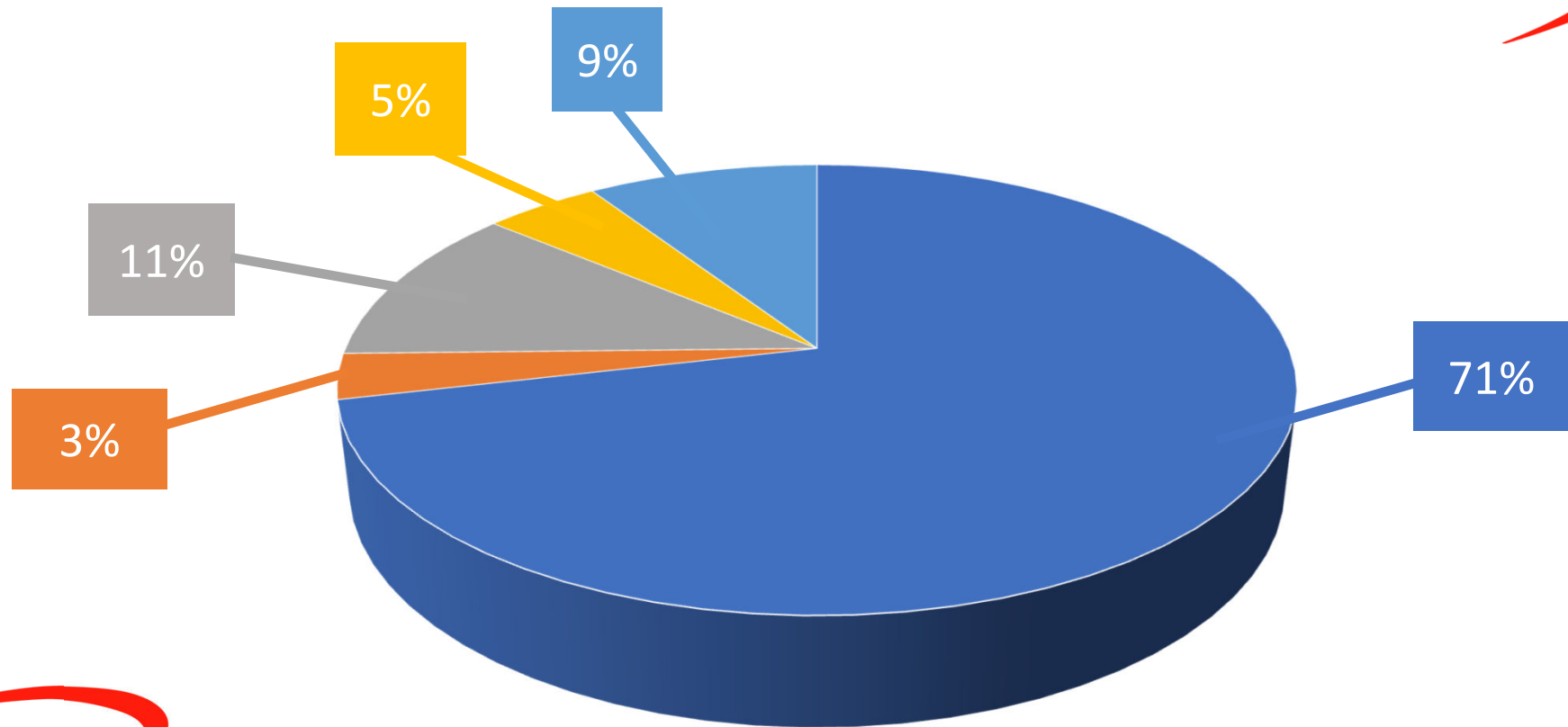
Industry-wide accepted standard and best practice guidelines

- BVRLA's Code of Conduct states members must provide pre- and post information about liabilities and charges, the vehicle collection process and inspection process and notify the customer's rights if there is a dispute
- An industry benchmark, BVRLA can only recommend members adopt it – many members base their in-house version on it
- Customer-facing document which is referenced in customer contracts “as published from time to time”
- Reputation: BVRLA's Fair Wear & Tear standard and guidelines are FAIR.

BVRLA Dispute Resolution Service - Growth in Complaints



BVRLA Dispute Resolution Service: Leasing Sector – Reasons customers complain

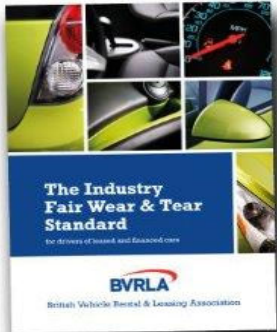


Total Fleet Size by Service Type 2019

	CARS	LCV	HGV	TOTAL
RENTAL	281,920	168,970	23,747	474,637
CONTRACT HIRE	1,600,779	373,311	55,045	2,029,135
CONTRACT PURCHASE	12,876	14,273	2,638	29,787
FLEET MANAGEMENT	288,711	153,410	38,566	480,687
FINANCE LEASE	31,891	78,931	3,295	114,117
PERSONAL LEASING	1,844,312	51,585	1,549	1,897,446
	4,060,489	840,480	124,840	5,025,809

Updating the Car Fair Wear & Tear Standard

BVRLA Director of Member Services Nora Leggett is leading a review of the Fair Wear & Tear Standard for cars. She would welcome members' views on proposed amendments relating to nine areas that have been identified by the review panel as needing improvement.



The review panel includes representatives from ACFO, ALD Automotive, Lex Autolease, Arval, Hitachi, Tusker, VWFS, JCT 600, PSA Finance, Mercedes Benz Financial Services, LeasePlan, Avis Budget, Zenith, Wessex

Fleet, The AA, the RAC, BCA, Manheim, Hudson Kapel, VRA, RMIF. u

The BVRLA would like to hear the views of as many members as possible, so please share your thoughts and suggestions with Nora Leggett before Tuesday 31 July 2018.

What needs to be addressed?	Possible solutions:
Customers are not aware of their responsibilities for maintaining the vehicle and the condition of the vehicle when returned.	<ul style="list-style-type: none"> > Provide an app, more web content and advice. > Provide more self-appraisal tools, eg measure tool. > Provide clear and transparent communications throughout the supply chain, plain language and clear explanations about the type of contract and why we have end-of-lease charges.
Customers have no idea about repair costs and often dispute end-of-lease charges.	LeaseCo advises its customers how charges are derived, eg industry standards, such as Audatex, Glassmatics, Thatcham – this adds authenticity.
Increasing number of customer-maintained contracts means that contact with the customer can be non-existent. Customers are motivated by price.	Missed services, particularly with software downloads, can affect the vehicle's performance and the re-sale value. Customers MUST provide evidence that the vehicle has been maintained.
The concept of 'age and mileage' in relation to the end-of-lease standard is a difficult one. More BVRLA members are remarketing ex-lease cars.	'Age and mileage' is already a difficult concept. We don't need separate guidelines for older vehicles but need to ensure vehicles are inspected and have a condition report before re-sale.
Customers may have been advised very thoroughly at the start of their contract, but they forget or don't allow sufficient time to rectify any damage as the end of lease approaches.	Leasing companies should have more frequent, structured contact with drivers throughout the lease period, explaining and anticipating issues such as end-of-lease procedures.
Clocking: Press reports of increased incidents of clocking fraud.	Customers must self-declare their odometer reading at return and be advised of consequences of fraud.
Paintwork: Small areas of chipping, including door edge chipping, are acceptable. If the areas of chipping require the entire panel, bumper or trim to be repaired or repainted, the damage is not acceptable.	Greater clarity required. It was proposed to replace with "chips up to 3mm in diameter are acceptable provided they are not rusted". 8 chips for each forward-facing panel, 2 for all other panels.
Dents on the roof or swage line on any panels are not acceptable.	Remove as now easy to repair.
Windows & Glass:	Need to take panoramic glass roofs into scope – working party to check repair methods, replacement costs, etc.



BVRLA Fair Wear & Tear Guide

Incorporating the
BVRLA Fair Wear & Tear
Standard

Licensed to XXXXX XXXXXXXX



INSERT LICENSEE
LOGO HERE

The aim of this guide

The aim of the *BVRLA Fair Wear & Tear Guide* is, firstly, to provide information to drivers about looking after a leased vehicle so that end of lease charges can be avoided and, secondly, to provide an industry-wide, accepted standard that defines fair wear and tear on passenger cars when they are returned at the end of a lease contract or finance agreement. This guide covers all passenger vehicles, including multiple passenger vehicles with up to eight seats. Separate *Fair Wear & Tear Guides* are available for vans and minibuses, and trucks.

4 Fair wear and tear occurs when normal usage causes *acceptable* deterioration to a vehicle. When BVRLA members review deterioration in the vehicle's condition at the end of a contract or finance agreement, they consider the age, mileage and whether the vehicle has been looked after sufficiently.

Fair wear and tear should not be confused with damage, which occurs as a result of a specific event or series of events, such as an impact, inappropriate stowing of items, harsh treatment, negligent acts or omissions.

This *Fair Wear & Tear Guide* is produced by the British Vehicle Rental & Leasing Association (BVRLA) with the assistance of a specialist working group drawn from BVRLA members and independent market experts.



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What does the BVRLA Fair Wear & Tear Guide contain?



What does the BVRLA Fair Wear & Tear Guide contain?

It contains advice and guidance that drivers can use throughout the period of the vehicle contract. For example, tips on looking after the vehicle, information drivers should know at the start of the lease, tips on appraising the vehicle's condition at the end of the lease, and what to expect on the day the vehicle is returned. It also shows how to complain if things go wrong.

NEW

The guide also contains the BVRLA Fair Wear & Tear Standard, which defines the industry standard at return for every aspect of the vehicle's condition. For ease of reference, the condition of the vehicle is considered under the following headings:

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- › **General appearance, road safety, documentation and keys**
- › **Paintwork, vehicle body, bumpers and trim**
- › **Windows, glass, door mirrors and lights**
- › **Tyres and wheels**
- › **Mechanical condition**
- › **Vehicle interior**
- › **Equipment and controls**

The person named on the contract (referred to herein as the 'driver') should be clear at the outset of the lease or finance agreement about their obligations to ensure that the vehicle is appropriately looked after and returned in the required condition.

If a company car, the employer may outline preventative vehicle maintenance and road safety measures that need to be undertaken on a daily or weekly basis.

Those personally leasing the vehicle and responsible for its maintenance and upkeep should consult the leasing company or service provider for advice and ensure that the advice is followed.



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Advice for drivers during the term of the vehicle lease



End of lease charges

What drivers should expect at vehicle return

Drivers must be advised what to expect when the vehicle is collected. Some leasing companies arrange a full vehicle inspection and condition report upon collection. Other leasing companies will collect the vehicle, make a note of its condition by recording all readily apparent damage and missing equipment and complete the final inspection later at the leasing company's nominated site.

NEW

Drivers can expect to be treated fairly.

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It is recommended that the driver (or a nominated representative) is present when the vehicle is collected.

If the vehicle is not sufficiently clean to allow a detailed inspection, the collection process may need to be aborted and a charge may be applied. Drivers will be asked to agree to postpone the inspection and to sign the condition report to that effect.

If the BVRLA member intends to apply any charges, for example for excess mileage, damage or missing equipment, the driver must be advised of those charges no later than four weeks after the vehicle was collected or returned.

If charges are being applied, the BVRLA member should provide a summary breakdown of the charges, including the repair method/type of repair. Drivers should also be provided with photographic/video or other documentary evidence to help justify or support the charges made.

Drivers should also be advised of their right to query any end of lease charges

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End of lease charges
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BVRLA Code of Conduct

BVRLA members are obliged under the BVRLA Code of Conduct to trade fairly and responsibly in all dealings with their customers. The BVRLA promotes ethical trading, clear pricing, transparent terms and conditions and the provision of high-quality vehicles and customer service. The Code of Conduct sets out the standards that BVRLA members must comply with regarding pre- and post-contract procedures, level of customer support during the contract period, and how customer complaints should be handled.

In case of a dispute

In the event of a dispute about the condition or damage to the vehicle, drivers have the right to pay for a review of any documents and photographic evidence by an independent qualified engineer, eg an engineer who is unrelated to the original inspection and agreed by both parties. The engineer's decision will be binding on both the driver and the BVRLA member. If the engineer finds in the driver's favour, the BVRLA member will refund the reasonable cost of the examination.

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BVRLA dispute resolution process

The BVRLA is approved by Government as a Consumer ADR body under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015.

Those who are unhappy with the service received by a leasing company should in the first instance inform the company of the issue to give them a chance to resolve the matter. Contact them in writing, explaining the issue and how you would like them to put things right.

If an issue remains unresolved and the final response from the leasing company is deemed unsatisfactory, you can escalate a complaint to the BVRLA Alternative Dispute Resolution (ADR) service as long as the leasing company is a BVRLA member.

Customers of BVRLA members have access to the ADR at no cost. The ADR is a restorative justice service, not a compensatory scheme.

Complaints can be submitted via the BVRLA's website.

Alternatively, a complaint can be submitted by post to:

Dispute Resolution Team
British Vehicle Rental & Leasing Association
River Lodge
Badminton Court
Amersham
HP7 0DD

The BVRLA dispute resolution team will find out the facts of what's happened. BVRLA members are expected to respond to our request for information within five working days, in keeping with our Code of Conduct. The case is reviewed without bias, based on the evidence supplied by both parties. A decision and explanation of findings and recommendations are supplied in writing. The BVRLA aims to resolve all complaints within 30 days of receipt.

BVRLA members are obliged under the BVRLA Code of Conduct to comply with the Alternative Dispute Resolution service's findings.

The full ADR procedures are available on the BVRLA website.



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The BVRLA
Fair Wear &
Tear Standard



The BVRLA Fair Wear & Tear Standard

General appearance and road safety

All electronic safety features and advanced driver assistance systems that help the driver, eg parking sensors, cruise controls, lane departure and collision warnings, must be in working order.

There should be no rust or corrosion on any part of the bodywork, trim of the vehicle, or on the alloy wheels.

The vehicle must be roadworthy, and no warning lights should be illuminated.

There should be sufficient fuel (or residual charge in the battery, if an electric vehicle) to bring about the vehicle collection or return.

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Maintenance, servicing and repairs

The vehicle must have been serviced and looked after according to the manufacturer's servicing/maintenance schedule.

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The service book, if originally supplied with the vehicle, must be present and date-stamped by the repairer or workshop as evidence that the services have taken place. If the service record is kept electronically, the driver must produce evidence that the vehicle has been serviced and maintained according to the vehicle manufacturer's service and maintenance schedule. Appropriate evidence would include hard copies of the service record or invoice clearly showing the date, vehicle mileage reading and the repairer/service agent's stamp. Drivers should remove any sensitive personal information from such documents.

Any repairs made to the vehicle before its return must be to a professional standard by repairers who can provide full warranty on their work.

Unauthorised odometer changes are not acceptable. Any odometer malfunctions must have been reported to the leasing company. The driver fully warrants that the mileage reading at the time the vehicle was collected is correct.

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The BVRLA
Fair Wear &
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The BVRLA Fair Wear & Tear Standard (continued)

Windows, glass, door mirrors and lamps

Panoramic roofs

The roof must be fully functioning, with no chips, cracks or holes. Surface scratches are acceptable provided they can be polished out. A maximum of four surface scratches on the roof is acceptable.

Windows/windcreens

Light scratching is acceptable provided it does not interfere with the driver's line of sight and the heating elements and the ADAS (automated driver assistance systems) still work properly.

The vehicle's ADAS (automated driver assistance systems) must have been recalibrated according to the vehicle manufacturer's recommendations if any component part, including windscreen(s) have been replaced.

Chips, cracks and holes in excess of 10mm in the driver's line of vision (a vertical strip 290mm wide centred on the steering wheel), or in excess of 40mm elsewhere in the area swept by the vehicle's wiper blades, are not acceptable. (See diagram on page 17.)

Repaired chips are acceptable provided they are repaired to a professional standard and the work is warrantied.

Windscreen wipers must be present, secure and in good condition so that they can clear the windscreen and give the driver a clear view of the road ahead.

The washer reservoir must have sufficient liquid to clear the windscreen when working in conjunction with the windscreen wiper blades.

Door mirrors

Missing, cracked or damaged door mirror glass and housing units are not acceptable. If adjustable and/or heated door mirrors, they must work correctly.

Lamps and lenses

All lamps and lamp units must work. Minor scuff marks or scratches of 25mm or less are acceptable. Holes or cracks in the glass or plastic covers of lamp units are not acceptable.

Where fitted, the vehicle's ADAS (automated driver assistance systems) must have been recalibrated following the replacement of a lamp or lamp unit.

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Any Questions?

