



## Vehicle Leasing Association of Ireland

### Fair Wear & Tear Guide

## **Vehicle Leasing Association of Ireland**

Servicing the vehicle, Leasing, Contract hire and Fleet Management Industry

The Vehicle Leasing Association of Ireland was founded in 1972. The members are drawn from Retail Motor Dealers, Manufacturer's, Distributors, Fleet Management Companies and Financial Institutions.

The aims and objectives of the Association and its members are:

- To provide a professional and dedicated service
- To promote the benefits and values of leasing
- To operate a code of conduct and standard compliant with the Society of the Motor Industry
- To provide advice on current legislations and any impending changes
- To provide information of taxation relative to the leasing industry
- To lobby Government for lower Vehicle Registration Tax, Value Added Tax and Benefit-in-Kind
- To provide educational and training courses for the membership.

For further information contact:

**[www.vla.ie](http://www.vla.ie)**

### **Fair Wear and Tear What is it?**

Taking into account a vehicle's age and kilometres and covering overall condition, from the mechanics and the electrics through to the bodywork and the upholstery, fair wear and tear summarises the degree of deterioration judged to be reasonable when a fleet vehicle is returned at the end of a contract period, or is to be sold on.

Lack of attention to detail, abuse or neglect are the main reasons fleet vehicles suffer from excessive wear and tear.

Fleet Operators can expect to incur refurbishment charges from contract hire or leasing companies if a vehicle is returned with an unreasonable level of wear and tear at the end of the contract period.

The top causes of reasonable wear and tear in a fleet vehicle are:

- Lack of regular checks by the vehicle user and /or fleet manager, leading to faults and damage going undetected and unrepaired.
- Not adhering to the vehicle manufacturer's recommended maintenance and servicing schedule.
- Drivers not taking responsibility for the day to day care and maintenance of the vehicle.
- Poor quality of body repairs, leading to general neglect.

Some amount of wear and tear damage may occur through normal, everyday business use, especially for high kilometre fleet vehicles.

After a typical fleet lifespan of three years or 60,000 kilometres, for example stone chips and minor abrasions to a vehicle's paintwork would be deemed fair wear and tear for its age and would not adversely affect the disposal price.

If the stone chip damage had exposed the base metal, however, and failure to touch up had caused penetrating rust to set in, the deterioration would not be acceptable as fair wear and tear.

### **Taking Responsibility**

Responsibility for the monitoring, maintenance and repair of company vehicles will vary from fleet to fleet.

The following procedures are recommended by the RAC to help ensure all the bases are covered:

#### **Fleet Manager's responsibility**

Fleet managers should ensure maintenance and servicing of the vehicle follows the manufacturer's recommended schedule, using only approved servicing agents.

Regular spot checks, possibly related to kilometres and use, should be carried out by the fleet manager or supervisor to ensure any current problems with the vehicle or driver are identified at an early stage.

Initiate a log system for each vehicle.

#### **Users responsibility**

Note any damage, mechanical problems or areas of worsening wear and tear in the vehicle log.

A minimum weekly check on oil, water and tyre pressure should be the responsibility of the vehicle user, with the result of each check noted in the vehicle log. This will also help keep tabs on vehicles which may be losing oil or water or have a slow puncture.

Regular cleaning and valeting of both the interior and exterior of the vehicle should be recorded by the vehicle user, according to a schedule laid out by the fleet manager.

## **General Fair Wear and Tear**

### **Servicing and documentation**

Regular maintenance and servicing should be carried out by a franchised dealer or approved servicing agent according to the manufacturer's guidelines. Any defects or damage that occur during normal vehicle use should be rectified as soon as authorisation for repair has been granted.

The vehicle instruction book, full-service record and any other documents relating to vehicle equipment are the responsibility of the vehicle user and must be intact and available. All documents must be in the vehicle on its return to the contract hire company, including any details of radio codes.

### **Appearance**

Regular cleaning of both the interior and exterior of the vehicle will ensure a good cosmetic appearance.

### **Additional Equipment**

If additional accessories or other non-standard equipment have been installed and then removed, any holes or damage should be made good to a professional standard. Aerials must be left in place or the hole properly repaired. All standard equipment must be returned at the end of the contract period.

### **Badges and labels**

Non-standard badges, labels or advertising fitted to the bodywork or glass of the vehicle should be removed, with any damage caused by their attachment or removal made good. Any paintwork colour fade due to the attachment of advertising would be chargeable to the user. Advertising should never be painted directly onto the vehicle.

### **Keys and security**

A full set of keys should be available along with a note of the key numbers. If the locking system is remote, the appropriate key fobs should be available and functioning. Return of the master key which controls the vehicle's engine management system is mandatory.

If the vehicle was originally supplied with a security system, this should be intact and fully operational, including any key or key fob necessary for operation. Any additional non-standard security system should be fitted according to a recognised standard, i.e. by a specialist dealer.

## **Vehicle Exterior**

### **Body Damage**

Any damage must be repaired as and when it occurs. All works should be completed to a professional standard, with any applicable anti-corrosion guarantees taken into consideration. Obvious evidence of repair such as colour mismatch or misalignment between panels is unacceptable.

### **Dents**

Minor dents (up to 10mm) are acceptable as long as the paint surface has not been penetrated so that bare metal is visible, or corrosion has set in. If multiple dents occur on a single panel, no matter how small, the panel should be repaired or replaced.

### **Paintwork**

Small areas of stone chipping, door edge chipping and light scratches (up to 25mm) are acceptable, relative to the vehicles age and kilometres as long as they have not penetrated through to the base metal and caused corrosion. If stone chippings have penetrated through the metal, suitable touching up should be carried out immediately to prevent further paint deterioration.

Exterior paintwork should be free from major abrasions (more than 25mm) and have a good gloss and colour. Colour mismatch between panels, or poorly fitting panels are unacceptable. All repairs to the bodywork must be suitably re-rust proofed up the manufacturer's recommended standards.

### **Bumper sections and rubbing strips**

Provided these are not broken, cracked or deformed a limited amount of scuffing and score marks are acceptable.

### **Window glass**

Cracks or damage within the driver's sight line are not acceptable and would require windscreen replacement or, if relatively minor, repair using resin impregnation to NCT standards. Light scratches and minor chipping at the periphery of the windscreen is accepted as fair wear and tear.

### **Lamp glasses/lens**

All lamps must be operational. Minor scuff marks or scratches are acceptable, but holes or cracks in the glass or plastic covers of lamp units are not.

## **Vehicle Interior**

### **Interior trim**

The interior should be clean and tidy with no visible burns, tears or permanent staining to the seats, headlining or carpets. Wear and soiling through normal use is accepted, as are any repairs that are not readily visible.

### **Luggage area**

Surface scoring and light blemishes that reflect normal use are acceptable, but floor coverings and surrounding trim panels should not be torn or split.

### **Light commercial vehicles**

For light commercial vehicles it is recommended that a lining be fitted in the load area to prevent serious damage to the vehicles interior.

### **Door aperture tread area**

A reasonable amount of scuffing to the door and luggage area treads and sills is acceptable providing paintwork has not been damaged down to bare metal and aperture seals are not torn.

### **Controls**

All original controls must be intact and operate correctly. If replacement has been necessary, e.g. due to theft, then equipment of a similar value and specification, preferable of the same manufacturer as the original should have been fitted. All odometer changes must be reported, and any evidence of unauthorised odometer changes is unacceptable. Missing parts and items will be recharged.

### **Rubber seals**

Normal wear will cause a certain amount of damage and splits to rubber door and other seals, but any evidence of neglect or abuse is unacceptable. If a seal becomes displaced it should be refitted immediately to avoid it becoming trapped or torn.

## **The Road Forward**

All fleet vehicle users should be aware of the principle of fair wear and tear, along with fleet managers and supervisors. On the vehicle's return, it is to be inspected and a formal agreement document signed. In instances of dispute an independent assessment should be made

In brief:

Fair wear and tear summarises the degree of deterioration judged to be reasonable when a fleet vehicle is returned at the end of a contact period, or is to be sold on.

Lack of attention to detail, abuse or neglect are the main reasons fleet vehicles suffer from unreasonable levels of fair wear and tear.

Some amount of wear and tear damage may occur through normal everyday business use which could be deemed acceptable if reflective of the vehicle's age, kilometres, and overall conditions.

All parties should be aware of their responsibilities where monitoring, maintenance and repair of company vehicles is concerned- this will differ from fleet to fleet.

When repairs are carried out long term guarantees should be sought to avoid future problems.

Maintenance and servicing should follow the manufacturer's recommended schedule and be carried out by approved servicing agents.

Regular spot checks by fleet managers or local supervisors will help ensure any problems with the vehicle (or driver) are identified at an early stage.

A vehicle log system will help both driver and fleet managers keep track of any vehicle damage, problems or areas of worsening wear and tear.

The vehicle user should be responsible for minimum weekly check on oil, water and tyre pressure.



A schedule of regular cleaning and valeting should be worked out between the vehicle user and fleet manager.

All documents must be intact and in the vehicle on its return to the contract hire company.