



FAIR WEAR & TEAR GUIDE

For South African Conditions

FAIR WEAR AND TEAR – What is it?

The factors that determine fair wear and tear are a vehicle's age, distance travelled and overall condition, from the mechanical components, electrics, through to the bodywork and upholstery. Fair wear and tear summarises the degree of deterioration deemed to be reasonable when a leased vehicle is returned on termination of the contract, disposed of, or is to be sold.

As a general rule, abuse or neglect or lack of attention to detail, particularly with regard to scheduled servicing are the main reasons for excessive wear and tear.

Leased vehicle operators should anticipate refurbishment (make good) charges from the leasing company when a vehicle is returned with an unreasonable degree of wear and tear at the end of a contract period.

The main causes of excessive wear and tear in leased vehicles are:

- The lack of regular checks by the vehicle user and/or the responsible person within the company, resulting in defects and damage going undetected or repaired.
- Non-adherence to the manufacturer's scheduled services and maintenance programme.
- Daily checks not adhered to by the driver.
- Poor/unacceptable body or paint repairs.
- Road conditions.
- Vehicle utilisation, eg. pool vehicles.
- Incorrect vehicle application.
- Climatic conditions.
- Inappropriate driver influence in the purchasing policy of the fleet.

Where the buck starts and stops ...

A certain amount of wear and tear may occur through normal everyday business use, especially for fleet vehicles with high kilometre readings.

Subsequent to a typical lifespan of four years or 160 000 kilometres, minor stone chips or abrasions to a vehicle's paintwork would be deemed fair wear and tear and would not adversely affect the disposal price.

However, if the stone chip damage has exposed bare metal and failure to carry out corrosion preventative measures is evident, the resultant deterioration would not be deemed as fair wear and tear.

TAKING RESPONSIBILITY

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

The following procedures are recommended to ensure that all the bases are covered:

Fleet / Client's Responsibility

- The client should ensure preventive maintenance and servicing of vehicles is only carried out by franchised or approved dealers and that it conforms to the manufacturers' schedule.

- Leasing companies and fleet owners should collaborate on the means by which assessments may best be made on a periodic basis.

User's Responsibility

- Bring to the attention of the fleet/transport manager and leasing company any mechanical failure or damage evident in the vehicle and arrange for the required repair to be carried out. If required, record in vehicle log book.

- A minimum weekly check on the oil, water and tyre pressure, vehicle's physical condition and glass, ie. lenses, windscreen.

- Regular cleaning of interior and exterior should be carried out.

- Inform fleet manager of sub-standard servicing repair and present vehicle for regular servicing.

GENERAL FAIR WEAR AND TEAR

Servicing and Documentation

Regular maintenance and servicing must be carried out by a franchised dealer or approved servicing agent. Any defects or damage occurred during normal usage should be rectified immediately once authority has been granted.

The vehicle instruction book, full service record and any other documents relating to vehicle equipment are the user's responsibility and must be available and complete. The aforementioned, including any spare keys, alarm/immobiliser remote controls and radio codes are to be returned to the leasing company on termination.

Appearance

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

Additional Equipment

If accessories such as car telephones, radios 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 repaired. All standard equipment must be intact and returned with the vehicle at the end of the contract period.

Badges and Labels

All transfers, stickers, labels, corporate logos 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 paint work 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 Systems

All keys and remotes including a note of their ID numbers should be returned in working order. Keys which control the vehicle's alarm and management system should also be returned.

Any vehicle provided with a security system must be returned with a fully functional system. Any additional 'non-standard' system fitted must be approved by and comply with insurance company requirements in terms of the Vehicle Security Association (VESA).

VEHICLE EXTERIOR

All damage must be repaired as and when it occurs. All work should be completed to a professional standard with any applicable anti-corrosion guarantees taken into consideration. Obvious defects such as mismatch of colours or misalignment of panels are not acceptable.

The leasing company should be notified of any major damage and be given the opportunity to inspect the vehicle immediately after completion of the repairs.

Dents

Minor dents may be accepted at the discretion of the appraiser as long as the paint surface has not been penetrated so that bare metal is visible or corrosion has set in. If a number of dents occur on a single panel, ie. fender, boot, bonnet, etc., the panel should be repaired or replaced.

Paintwork

Relative to the vehicle's age and kilometre reading, a limited amount of stone chipping and minor scratches would be accepted 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 and have good gloss and colour. Colour mismatch between panels or poorly fitting panels is unacceptable. All repairs to the bodywork must be suitably re-rustproofed up to the manufacturers' recommended standards.

Bumpers – Valances

Provided these are not broken, cracked or deformed, a minimal amount of scuffing or score marks would be 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 roadworthy standards. Light scratches and minor chipping around the periphery of the windscreen is accepted as fair wear and tear.

Lamp Glass/Lenses/Mirrors

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.

Boot / 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

It is recommended that a load bin liner be fitted to avoid serious damage. Damage to tailgates or hinges, etc., should not be evident or should be repaired to an acceptable standard.

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 worn.

Controls

All original controls must be intact and operate correctly. If replacement has been necessary, eg. due to theft, then equipment of a similar value and specification, preferably of the same manufacture as the original, should have been fitted. All odometer changes are unacceptable. Missing parts and items will be for the client's account.

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.

VEHICLE UNDERCARRIAGE

Underside

Minor dents and deformation, such as stone damage, is acceptable as long as it has not caused corrosion. Any suspected impact damage should be investigated and dealt with professionally, as significant damage or distortion to chassis components is not acceptable.

Exhaust System

The system should be properly suspended and in an efficient working order, with no leaks or evidence of blowing from the joints or manifold. The exhaust system should meet roadworthy standards in all aspects. If the vehicle is fitted with a catalytic converter, the converter should be in an acceptable condition. Failure and damage to the converter may be avoided by:

- Using correct fuel.
- Regular servicing and maintenance.
- Investigation of poor running and associated symptoms.
- No towing or jump starting.

Oil Leaks

Any serious leaks should be investigated and rectified immediately. Some minor misting or seepage around seals or gaskets is acceptable, provided no drips are evident.

Wheels and Wheel Trims

Dents or damage to the rim or main body of the wheels is not acceptable. All wheel trims must be intact, with no more than minor scuffing due to everyday use. If mudflaps are fitted, they must be intact and securely attached. The spare wheel, jack, wheel spanner and tools must be stowed properly and be in good working order.

Tyres – Wear / Damage

All tyres including the spare should meet the legal standards with a minimum tread depth of one millimetre over the entire tread surface and comply with the vehicle manufacturers' recommendations regarding size, tread and speed ratings. There should be no obvious damage to sidewalls or tread caused by kerbing or misuse.

Mechanical Conditions

Regular servicing and maintenance by a franchised dealer or approved dealer and in accordance with the vehicle manufacturers' service schedules (depending on the application of the vehicle) should keep the vehicle in sound mechanical condition.

The following examples are conditions usually caused by vehicle neglect or abuse and are therefore not regarded as fair wear and tear:

- Brakes scored/grooved brake discs caused by metal to metal contact.
- Engine seized or damaged engines owing to operation with insufficient coolant or lubricant, broken internal components or over-revving.
- Transmission slipping, erratic gear changing, clutch slipping, noisy transmission caused by lack of lubricant or inefficient synchro rings.

CONCLUSION

Companies and drivers should be educated by their fleet managers in vehicle care and maintenance.

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 should be inspected and a formal 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 on-sold.
- 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, mileage and overall condition.
- All parties should be aware of their responsibilities where monitoring, maintenance and repair of company vehicles are concerned.

- When repairs are carried out, long term guarantees should be sought to avoid future problems.
- Maintenance and servicing should follow the manufacturers' 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 book system will help both drivers and fleet managers keep track of any vehicle damage, problems or areas of worsening wear and tear.
- The vehicle user should be responsible for a minimum weekly check on oil, water, tyre pressure and wear.
- A schedule of regular cleaning and valeting should be worked out between the vehicle user and fleet manager/supervisor.
- All documents must be intact and in the vehicle on its return to the leasing company.
- Six monthly inspections by the fleet manager or leasing company are recommended.

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Southern African Vehicle Rental and Leasing Association (SAVRALA)
c/o Alchemy Financial Services Inc.
PO Box 2627
Northriding
2162

Tel: (011) 795 8100
Fax: (011) 795 1400

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