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# **LEASEUROPE GUIDELINES TO THE CODE OF BEST PRACTICE FOR THE CAR AND VAN SHORT TERM HIRE INDUSTRY**

The scope of these guidelines relates to source and destination EU only. The guidelines address key issues car rental businesses should take into account in order to achieve compliance with consumer protection legislation, meet best practice expectations and ensure that the market works well for consumers.

### **Pricing transparency**

- All mandatory charges, allowing the Customer to pick up and drive away the vehicle, in compliance with all roadworthiness rules applicable in the country where the rental takes place, and return with the vehicle, should be included in the headline price quoted once the Customer has entered their search details at the start of the booking process, and not just in the reservation price at the end of the booking process or at the rental desk.
- Mandatory charges cannot be presented to the Customer as being optional; e.g. in relation to mandatory safety equipment such as snow tyres/chains or a young driver fee.
- Mandatory waivers or insurance must be included in the drive away price for each vehicle search.
- Information about standard optional products (such as child-seats, additional GPS, etc.) that are offered, including their prices, that are offered should be made clear at an early stage of the booking process.
- The final price stated at the end of the booking process should include all mandatory charges allowing the Customer to pick up, drive away and return the vehicle, as well as the optional products he/she has selected during the booking process (e.g. the price of an excess waiver product).

## **Terms and conditions**

- During the booking process, it should be made clear with whom the Customer is booking, and with whom the rental contract will be concluded.
- Prior to entering into a booking and/or rental contract, the Customer is given the opportunity to review the full terms and conditions of the booking and/or rental contract in the language of the country where the rental is taking place as well as in English, in an easily accessible manner. It is recommended that said terms are also made available in French and/ or German, if possible. Material terms and conditions should be made available in the language of the country to which the booking website is directed (in circumstances including, but not limited to, a situation where the vehicle is supplied by a franchisee or local agent). Should the Customer have problems understanding any of the available languages, he is advised to seek assistance from the rental staff. These language requirements relate specifically to source and destination EU bookings.
- Terms and conditions should be fair and written in plain and intelligible language, with appropriate highlighting of key terms, so that they are easily understood by the average consumer.
- Where a contract or elements of it (e.g. the purchase of optional products) are concluded at the rental desk, the car rental company should ensure the Customer is given the opportunity to read the key terms (and is not pressured to sign to agree to them in a hurry) before the agreement is signed.

## **Waivers and insurance**

- Clear information about insurance/waivers (both in relation to what is already included in the basic rental price and any additional optional products that can be purchased) should be provided both during the booking process and at the rental desk. This includes its price, cover, the amount of any applicable excess and the scope of any exclusions.
- Unexpected or important exclusions (such as damage to the windscreen, tyres, roof or undercarriage of the car) should be prominently highlighted during the booking process. Exclusions in waivers should not be unreasonable in nature or scope as this could potentially amount to an unfair term.
- The Customer must be made aware of his financial responsibility as it relates to damage, theft or loss of the rental vehicle or its keys while it is on rental.

- Car rental companies should ensure that rental desk staff offer optional waiver and insurance products in an appropriate manner to enable the Customer to make an informed decision. The Customer should not be subjected to aggressive commercial practices as defined in the Unfair Commercial Practices Directive in order to purchase additional products at the counter.

### **Fuel return policies**

- Information about fuel policies, fuel costs (and how they will be calculated if not known in advance) and any other applicable or potential charges (such as refuelling fees) should be prominently highlighted during the booking process, and any relevant terms and conditions should be clearly accessible.
- Customers must have the option to return the vehicle with the same level of fuel as marked on the rental agreement at the start of the rental at no additional charge to the Customer and not bundled with a package of other options that require additional charges.
- Any re-fuelling charges and fees (e.g. where the Customer fails to return the vehicle with a full tank as required) should be fair and reasonable for the service provided.

### **Damage disputes**

- Customers should be provided with clear information about the procedures for disputing damage charges – this should be provided during the booking process on the website, in the terms and conditions, and at any post-rental inspection where damage is identified. Customers should also be clearly informed of their right to challenge the charge if they do not accept responsibility for the damage and amount claimed, and the company's applicable procedure to do this as well as any applicable alternative dispute resolution bodies if they wish to challenge the company's final decision.
- Companies should provide clear information to Customers during the booking process about the extent of the Customer's liability for damage to the vehicle, and the options available to the Customer to reduce their liability.
- Customers should be clearly informed at the time of rental of the procedure for returning the vehicle and for the carrying out of the post-rental inspection (including inspection timescales so that Customers can allow sufficient time to be present). Where the Customer indicates he will not be able to be present during the post-rental inspection, the Company will inform him of the procedures used to assess damage, and how to dispute any potential charges.

- Where the Company offers the possibility to return the vehicle out of office hours and the Customer has indicated his intention to make use of this service, the Company will inform the Customer at the rental desk and, where possible via the website, when the official rental period and the Customer's liability ends. Customers should be encouraged to take photographic evidence of the state in which the car is left, although such material is not by default seen as conclusive.
- Regardless of whether the Customer was or was not present during post-rental inspection and incurred minor damage (damage matrix), Car rental companies should always provide Customers with an appropriate amount of evidence of said damage, in line with the professional diligence requirements of the Unfair Commercial Practices Directive, and how the repair costs have been calculated.
- Regardless of whether the Customer was or was not present during post-rental inspection and incurred damage requiring a qualified damage assessment, the Company should always provide said assessment as well as all other relevant evidence and an estimate of the cost of repairs. In addition, car rental companies should give the Customer a reasonable period of time to challenge the damage assessment and charges, before seeking to process and take the charge from the Customer's payment card. In particular due account should be taken of the fact that the Customer may still be travelling away from home and cannot check such requests easily.

In addition, car rental companies should give the Customer a reasonable period of time to challenge the damage assessment and charges, before seeking to process and take the charge from the Customer's payment card.

- Where damage matrices are used to calculate charges for minor damage, they should be compiled in accordance with local law to reflect the repair costs applicable to the damage incurred, and should not be used to assess damage that is properly characterised as fair wear and tear of the vehicle.

## **Additional charges**

### ***Pre-authorisations***

- Companies should make Customers aware during the booking process of any requirement for pre-authorisations of credit/debit cards and deposits that will apply at the point of rental, possible justifications and amount (as well as detailing them in the terms and conditions).
- Information regarding potential reasons or circumstances for charging a credit/debit card for additional costs should be made easily available to the Customer online and at the point of rental.

- The express consent of Customers for the pre-authorisation of their payment card for any additional charges should be obtained by the company, through a signed document clearly specifying the amount and purpose of the pre-authorisation.
- Deposit amounts should be refunded and pre-authorised amounts unblocked from the Customer's payment card as soon as possible after the end of the rental.
- Any restriction applied to the use of a specific credit/debit card should also be explained at the booking stage (e.g. where only the card held by the driver will be accepted).

### ***Due process***

- Before processing any additional charges after the end of the rental, car rental companies should:
  - notify the Customer of any additional charges as soon as possible after the end of the rental period;
  - provide justification for charges, where available (which may include but is not limited to the pre- and post-rental inspection reports, repair bills or estimated repair costs and photographs of the damage, traffic fines);
  - allow, and communicate a reasonable amount of time for Customers to challenge the damage claim before processing the charges
  - Where the charge has been processed, if the Customer is subsequently held to be correct, either through internal process or use of independent arbitration, any charges found to have been overpaid shall promptly be re-paid in full.
  - where the Customer challenges any alleged damage or the charge, the charge should be put on hold pending further consideration. or resolution of the dispute;
  - advise Customers on the steps they should take if they dispute the charges, including details of how to contact the customer services department, any available alternative dispute resolution bodies if they wish to challenge the company's final decision, and on the network of the European Consumer Centres for advice and information on cross-border disputes.

### **Fines**

- Information should be made available by the company regarding administrative charges may be incurred to process any fines or penalties (or in any other stated circumstances) and we recommend that the amount of the relevant charge is also stated.
- Any administrative charges should reflect a genuine pre-estimate of the rental company's costs and not be disproportionately high.

### **Brokers and intermediaries**

- It should also be clarified that the Code's principles are applicable to brokers and intermediaries as well as car rental companies. It is important that brokers and intermediaries should provide the same level of transparency regarding their offers. Contracts between brokers/intermediaries and Customers as well as contracts between brokers/intermediaries and Companies should not include terms and conditions contrary to the Code of Best Practice.