

Exclusive: Europcar accused of overcharging customers for repairs - amid Trading Standards investigation



Rental cars sit parked below Europcar Group SA parking bay signs at the Europcar location for Gatwick Airport in Crawley CREDIT: MATTHEW LLOYD

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One of Europe's biggest hire car firms, Europcar, is accused of fraudulently overcharging customers for repairs as Trading Standards raided its UK head office yesterday.

Evidence obtained by the *Daily Telegraph* suggests the firm's UK arm may have profited to the tune of millions of

pounds by inflating the cost to consumers of windscreens and other repairs by up to 300 per cent.

Trading Standards is investigating the firm over billing concerns including overcharging for repairs, it can also be revealed.

Last night legal experts described Europcar's actions as "serious" and warned its repairs policy could be in breach of the Fraud Act 2006, as well as the Consumer Rights Act 2015.

If it is found guilty of fraud by misrepresentation it could face a fine of up to 10pc of its turnover, and if it's found to have systemically overcharged customers it could potentially be hit with a class action over consumer law breaches. Europcar has a market value of 1.85 billion Euro in France where it is listed on the stock exchange.



Drivers who crash or scrape hire cars are being charged excessive amounts for repairs CREDIT: MEDIACOLOR'S / ALAMY

It operates in 140 countries worldwide, however it is not yet clear whether its offices abroad are operating the same ruse.

Consumer groups accused Europcar of "exploiting" customers and said they suspected the practice was widespread in the car hire industry.

If involved in an accident or scrape which falls outside their insurance cover Europcar customers are billed for an amount which is presented as the true cost of the repair, plus an administration fee.

But evidence has emerged showing the repair prices are grossly inflated via secret pre-agreed deals between Europcar and suppliers, which directly financially benefit Europcar at the expense of the customer.

Europcar agrees a net price and a margin which it gets to keep, and customers are invoiced for the total "cost" of the work, including the pre-agreed margin.

Once the customer bill is paid the supplier issues Europcar with a second invoice for the pre-agreed amount, which is the true cost of the work.





One customer was billed three times more than the 'true' cost of a windscreen on a hire car CREDIT: RADHARC IMAGES / ALAMY

It then issues a rebate for the difference between the first and second invoice, which Europcar keeps.

In one example a former Europcar customer, Zdenek Kramsky, was told by Europcar that the cost for a windscreen replacement was £615 plus VAT including an admin fee.

But when he called the supplier, National Windscreens, for a quote for the same job he was told the true cost would be £176 plus VAT.

He was told by an employee of National Windscreens that the reason for the difference in price was that Europcar agrees an inflated price with National Windscreens, and then receives a rebate for the difference at a later date.

Trading Standards in Leicester confirmed their investigation was ongoing and could make no further comment at this time.

Keith Oliver, head of international at fraud law specialists, Peters and Peters, said: "If in fact the true cost of the

repairs was significantly less than the figure contained in the invoice or that advised to Mr Kramsky as being the 'cost of repairs' then, on the face of it, he has been seriously misled.

"A grossly inflated charge to Mr Kramsky, if that is what has happened, is obviously a serious matter given the elastic nature of the relevant provisions of the Fraud Act, which by virtue of sections 2, 3 and 4 impose criminal sanctions for dishonestly failing to disclose to another person information which one is under a legal duty to disclose.

"A grossly inflated repair charge which bears little resemblance to the true cost could well fall foul of these provisions."

Mr Kramsky told the *Daily Telegraph*: "Whichever way you look at it, what Europcar did to me was unethical, underhand, immoral, unreasonable and bad commercial practise.

"My main aim in going public with my complaint has been to stop Europcar, and companies that help them, taking advantage of less resourceful customers than me."

James Daley, director at campaign group Fairer Finance, said: "People have long suspected they are being ripped off for hire car repairs but its shocking to see the evidence.

Car hire companies are in the business of loaning vehicles, not exploiting customers involved in a scrape.

"Europcar are unlikely to be the only ones doing this and the industry must change its ways."

A spokesman for Europcar said: "Europcar takes the allegations very seriously and is conducting a thorough internal investigation. The company is co-operating fully with Trading Standards in its investigations. It can make no further comment at this point."

National Windscreens declined to comment.

Do you have a story about a hire car rip off? We want to hear about it. Email: katie.morley@telegraph.co.uk