

Fair Wear and Tear 2021

Used Passenger Car



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1 INTRODUCTION

Today, many different reference guides are used by leasing companies throughout Europe, some with more precision and transparency for the different actors than others. A standard European reference is crucial to harmonize and build the trust necessary for the leasing business, from the rental of the vehicle, through the end of its leasing life, to its resale.

CARA, the Car Remarketing Association Europe, wishes to create a document that spreads a standard for end-of-lease return assessments, one that is recognized globally and accessible to all. The goal is to allow a clear understanding of the impacts involved, for all stakeholders, be they professional or personal.

In particular, we wish to bring a consensual framework to the end-of-lease return processes that are common and shared by all stakeholders, in a simple and transparent manner.

The end-of-lease return is a crucial moment in the life cycle of a vehicle for renters and for leasing companies. The assessment of the vehicle allows the driver, or renter, to know if any repair costs will be charged, to whom, and why. The assessment also lets leasing companies know the condition of the vehicle being returned, thus allowing for a more accurate estimate of the vehicle's value.

This document is not just a technical manual for inspectors or for representatives from leasing companies, but also for anyone who has a rental or leased car and wishes to understand the processes, restrictions, and conditions of an end-of-lease return assessment.

No engine check is described regardless of the vehicle's energy.

Underbody checks are not described and must be defined according to contractual needs.

1.1 What is the Car Remarketing Association Europe?

In the summer of 2015, CARA, the Car Remarketing Association Europe, was founded.

CARA was established as a non-profit organization to support the market for used cars.

Our members each have a large footprint within the European market and are mainly active in sectors such as car manufacturing, fleet management, leasing, car auctions, car service providers and car data management. Of course, European dealers of used cars are also very welcome within our association.

In addition, we have support partners who are very interested in our activities but who are not included in the foregoing support category.

We come forward as an independent source within the European Car Remarketing world. In other words, a common voice towards the market, partners, and suppliers.

We support the industry standards and harmonize processes, without interfering with the policies of companies.

The Car Remarketing Association has set various goals. Some of these are:

- Representing the interests of the car marketing industry vis-à-vis European Union institutions and international institutions (such as the European Commission, the European Parliament, the Council of the European Union, tax authorities, etc.).
- Inform members about European or international developments that may affect the remarketing industry.
- Coordinate the views of the members in order to create common positions and a common voice.
- Promote the car remarketing market at European and international level.
- Organize events on current topics and / or for a specific audience.
- Provide a platform for members to share views and best practices and to network.

1.2 Objectives and Activities

We as an association have clear goals about the remarketing industry. Therefore, we want to achieve more and deliver what we, our members and partners have all agreed upon.

1.2.1 In-Car Data

This CARA workgroup defines a standpoint regarding the access and use rights to in-car generated data from vehicles owned, operated and/or traded by CARA members and the framework conditions needed to support the fleet and remarketing business.

The access to in-car data to the remarketing value chain delivers savings for consumers and enterprises, enhances competition, supports environmental goals of emission reduction, raises values of used assets to support the circular economy approach while ensuring consumers freedom of choice on data privacy.

You may read all about it in the [CARA Europe Position Paper regarding In-Car Data](#).

1.2.2 Battery Health

The CARA Battery Health workgroup is established to create common standards to facilitate remarketing and support residual values of used cars through trust in the battery of a BEV, easily to be communicated to buyers, by an independent assessment and certification.

The workgroup aims to deliver what follows:

- Set the standard for a Battery Health Certificate (SOH*) for the remarketing industry in Europe
- Evaluate technology and process options for vehicle individual battery assessment
- Review, validate and real-life test technologies for obtaining SOH data
- Propose a settlement process in case of disputes of buyers (warranty management)

(*) SOH = State of Health in % of original capacity. We use SOH for the State of Health Capacity.

For clarification: SOC = State of Charge is the % the battery is charged with relation to its current capacity. At 100% SOC when SOH is 100%, the battery has the nominal energy available [kwh].

1.2.3 CARA Academy

The objective of the CARA Academy work group is to support the education of the automotive sector on remarketing topics.

The CARA Academy has been set up in close cooperation with its members, who felt the need to establish an acknowledged, industry leading training platform for Vehicle Remarketing and associated activities, specifically supporting B2C, B2B and Residual Values.

We aim to deliver high quality sessions through face-to-face training and e-learning modules. The input of our members can surely support a hands-on, practical, and field based content.

Find out all about the CARA Academy on [our website](#).

1.2.4 Correct Mileage

The goal of this work group is to contribute to a regulatory and business framework that enables vehicle-originated data-based service offerings at minimal cost and maximum use for the remarketing sector. CARA establishes its viewpoints to the subjects and promotes these in conjunction with other associations, policy makers and among its members.

An important element of this is a European database to provide trusted mileage information to used car buyers. The work group provides a forum to define the requirements and recommendations of its members and interested parties in the remarketing area to such databases. Both legislative as well as commercial initiatives are considered by the work group. The database will also make sure to respect the GDPR in all markets.

Due to the movement of the EU parliament and expected activity of the EU commission, the work group will focus to develop and expand the standpoint of CARA regarding mileage databased into a wider position regarding free access to vehicle data. This shall ensure that the commercial interest of CARA members to utilize used car data is protected.

You may read all about it on our website in the [CARA Europe Position Paper regarding Mileage Fraud](#).

1.2.5 Transport Solutions

The Transport Solution workgroup of CARA aims to contribute to a more efficient transport infrastructure for cross border transports in Europe. Strong international transport networks do not exist yet, leading often to high cost and long lead-times for transport vehicles.

The Transport Solutions Workgroup will identify and share possibilities for the remarketing industry to improve efficiency and reduce costs and lead-times.

As transport processes in Europe are scattered and still paper-based (CMR) there is a significant risk of fraud in cross-border sales processes. VAT-fraud, mileage fraud and avoiding import tax fraud are well known issues in the industry.

The Transport Solutions Workgroup aims to identify and promote supply chain processes that reduce or eliminate the risk of fraud in international cross-border processes.

By doing so the Transport Solutions workgroup aims to define professional standards for the industry.

[More information](#) on this topic is available on our website.

2 RETURN CONDITIONS

The verification conditions below are given as basic examples, the list is not exhaustive. They must be specified and detailed by the leasing company for renters.

The vehicles must be returned stripped of any personal data, such as phone links or destinations on GPS navigation.

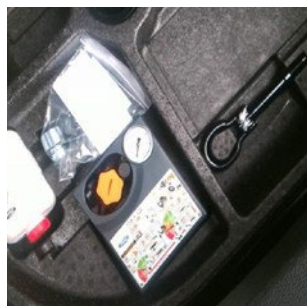
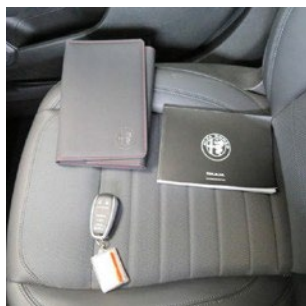
2.1 Registration Documents

All registration documents must be present.



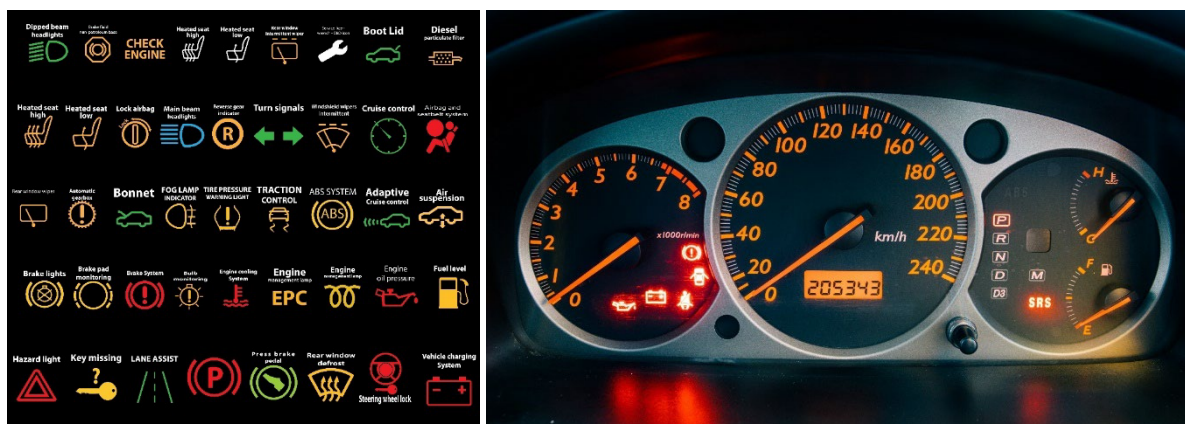
2.2 Removable Items

Presence, conformity, operating state, Main key(card) and spare keys(cards) must be returned with vehicle.



2.3 Dashboard Indicator

Recall campaigns and maintenance required by the manufacturer must have been completed.
Change of odometer must be reported.



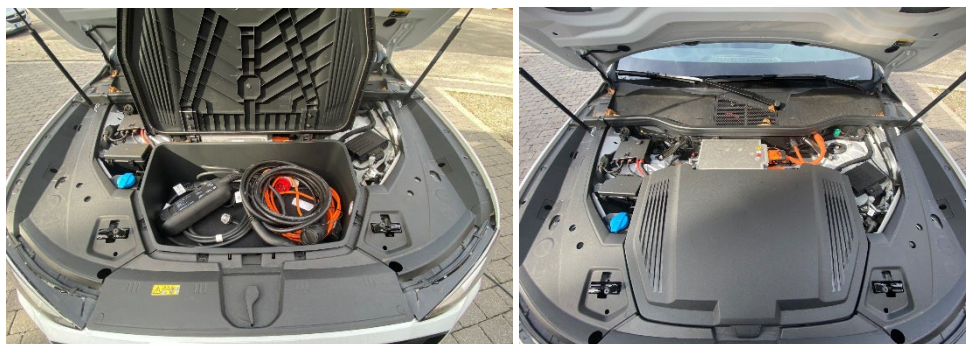
2.4 State of cleanliness



2.5 Electric Vehicles

Consider the following data points:

- **Battery**
 - Battery Size
 - Driving Range
 - Battery Health (+Certificate)
 - Battery Leasing/Ownership
 - Battery Warranty
- **Electric Vehicle Type** (values under existing Fuel Type or separate field?)
 - BEV / PHEV / REX / FCEV
- **Charging Cable Plug Type** (more than one is possible)
 - Type 1 / Type 2 / Commando / CCS / CHAdeMO / Tesla Type 2
- **Electric Vehicles Specific Options** (autopilot)



3 “FAIR WEAR AND TEAR” GUIDELINES

These guidelines define the terms and conditions for carrying out a technical assessment of a used vehicle. See illustration of normal vehicle wear and damage to the standard condition of the vehicle.

Maximum damage that is fair wear and tear on the overall condition of the vehicle:

- **Stone chips:** Up to 5 stone chips \leq 25 mm (€2 coin size)
- **Scratches:** 2 scratches of 5 cm length or less
- **Dents:** 5 dents without paint defects and a diameter smaller than the size of a €2 coin
- **Unpainted Bumpers:** 2 scratches covered by A5 format or less
- **Painted Bumpers:** 2 scratches of 5 cm length or less

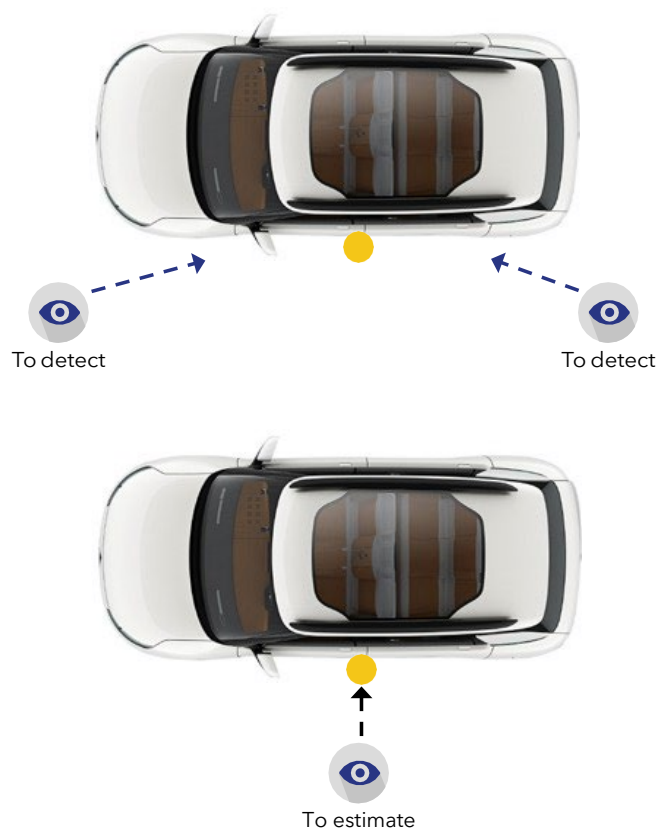
3.1 Is it usual wear or is it damage?

Damage is considered to be physical harm that impairs the value, usefulness, or normal function of the vehicle. Fair wear is impairment of the original aspect, caused by correct use of the vehicle, even intensive use. Any original features that do not work properly, or do not work at all, cannot be considered fair wear.

3.2 How can we check the body parts?

How can we find defects on the vehicle's surface?

By using different points of view to detect and to estimate:



3.2.1 Body

Threshold acceptance per body panel. All rusty defects will not be accepted.

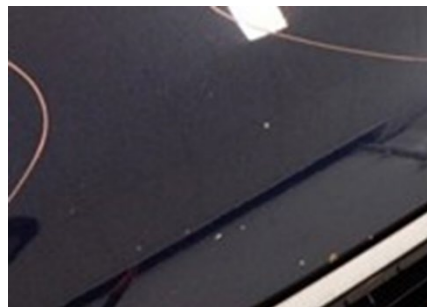
3.2.1.1 Stone Chips



Up to 5 stone chips \leq 25 mm (€2 coin size)



More than 5 stone chips or 1 bigger than 25 mm

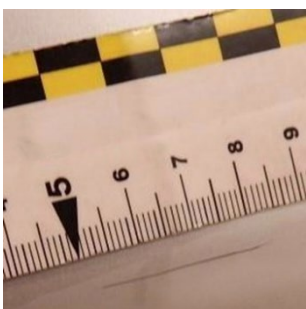
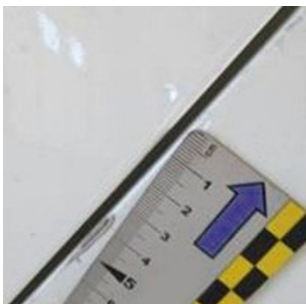


3.2.1.2 Scratches

Damage cannot be removed by polishing, that can be felt with a fingernail.



2 scratches of 5 cm length or less



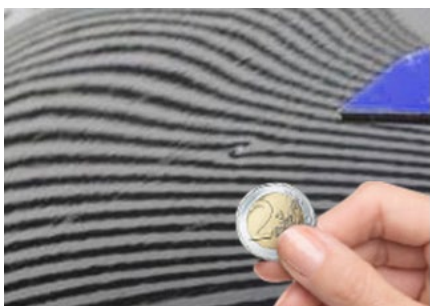
Several scratches on body panel or one longer than 5 cm



3.2.1.3 Dents



2 dents without paint defects and a diameter smaller than the size of a €2 coin



Dent larger than a 2€ coin in diameter, or several dents, or dented and scratched parts



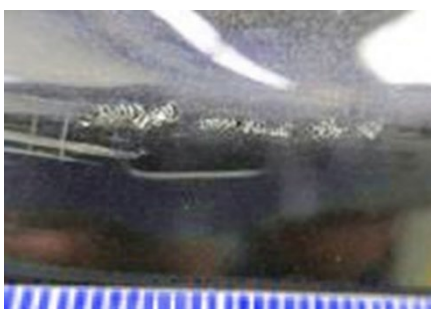
3.2.2 Bumper

Bumpers are more exposed to potential defects; they must be viewed globally. Therefore, the threshold acceptance for defects is higher than for body panels.



Unpainted Bumpers: 2 scratches covered by A5 format or less

Painted Bumpers: 2 scratches of 5 cm length or less



Scratches on bumpers longer than 5 cm, or several small scratches



Cracks or breaks of all sizes

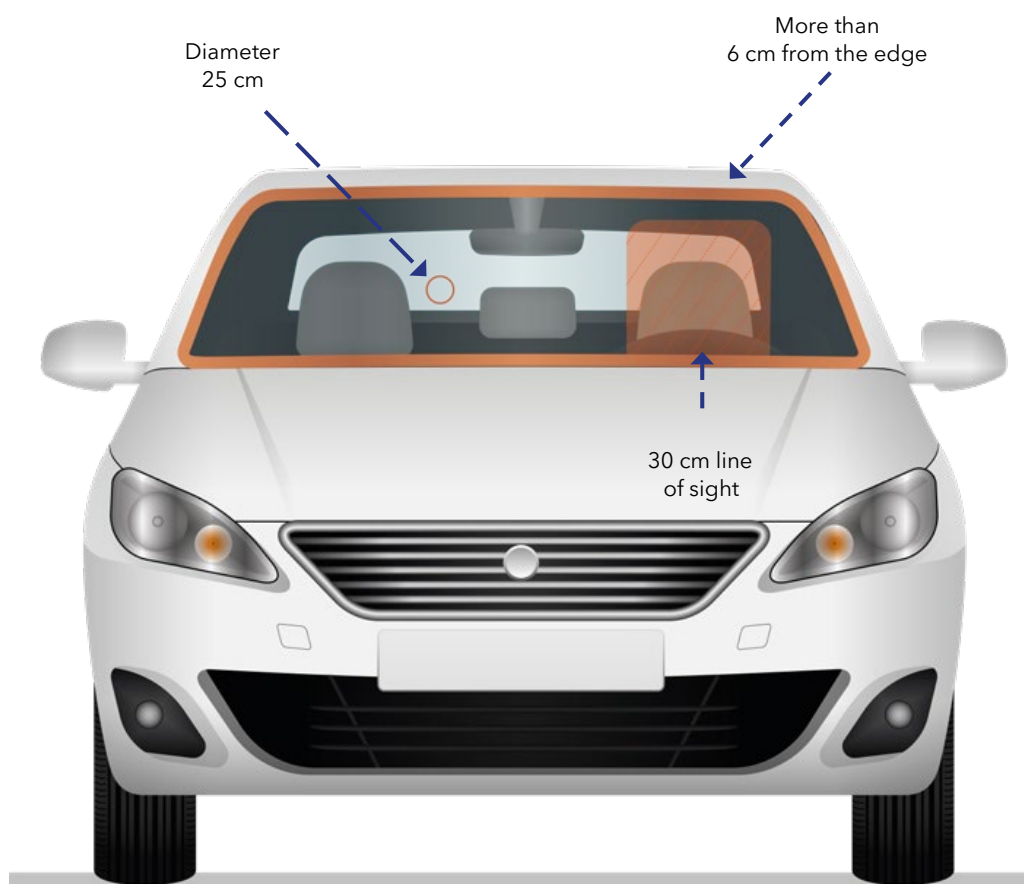


3.2.3 Glass parts

3.2.3.1 Windscreen

Windscreen parts must be considered apart from other glass parts.

Repairs of impact are possible except when in the driver's line of sight or too close of edge of windscreen. The driver's line of sight is the orange surface in the axis of the steering wheel shown in the drawing below.



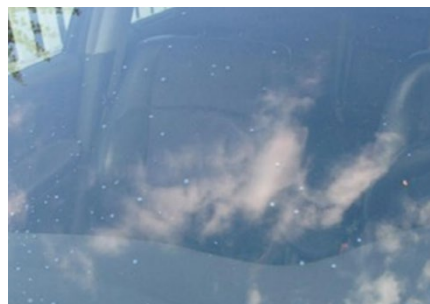
3.2.3.2 Windscreen chipping



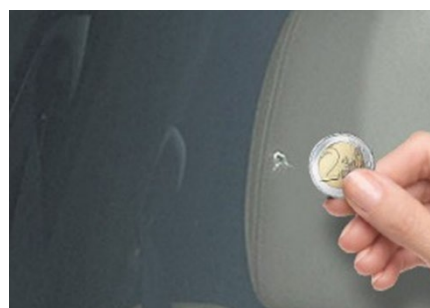
10 scattered chips of the size of a €2 coin not concentrated



More than 10 chips, or concentrated chips, or reduced driver visibility



Can be repairable if smaller than 2€ coin in diameter not located in a position considered unrepairable. (cf. image above)



3.2.3.3 Cracks



Whatever the size or damage position.

Other glass parts (side window, rear windscreen, ...): no damage acceptable



3.2.4 Lights

All damage on lights



Body or fixing



Glass



3.3 Upholstery

Soiling and stains on seats, interior lining, floor mats or carpets, which can be removed by general cleaning



Panel discolouration through day-to-day usage and the wear



Seats showing wear and indentation through general usage





Holes left in the console as a result of equipment removal.



Soiling and stains on seats, interior lining, floor mats or carpets, which cannot be removed by general cleaning, but which require specialist cleaning.



Cuts, abrasions, tears, and damage > 1 cm



3.4 Seat



All damage on seats (burn, unstitched, missing material)



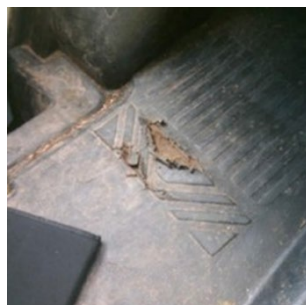
3.5 Carpet



Wear of carpets



Carpets burned or cut



3.6 Wheels

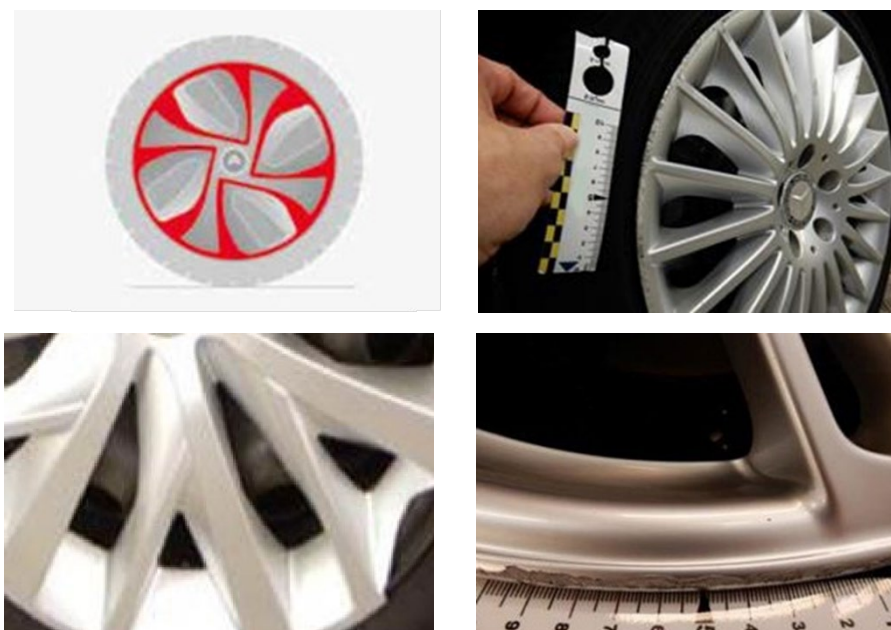
The original characteristics must be respected for replaced wheels or for winter wheels.



Scratched; On edge scratches of 10 cm in length or less



Twisted or broken; Scratched >10 cm or scratch in middle of rim



3.7 Tires

3.7.1 Wear acceptance



For all types of tires ≥ 4 mm tread deep



Remaining tread deep < 4 mm



3.7.2 Sidewall damage

Damage caused by use with incorrect air pressure, hernia, bubble, cut, tear.



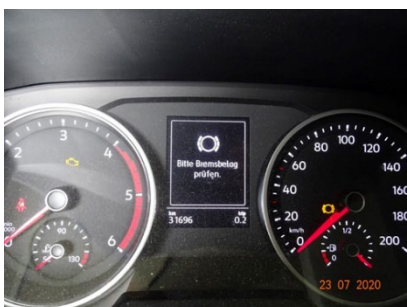
3.8 Safety



Fluids and liquids must be between minimum and maximum



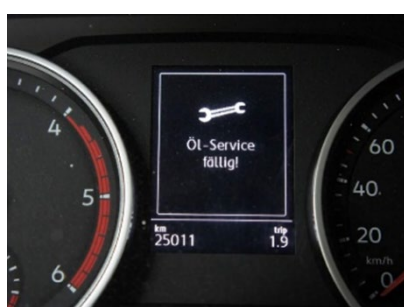
Check the brake pads



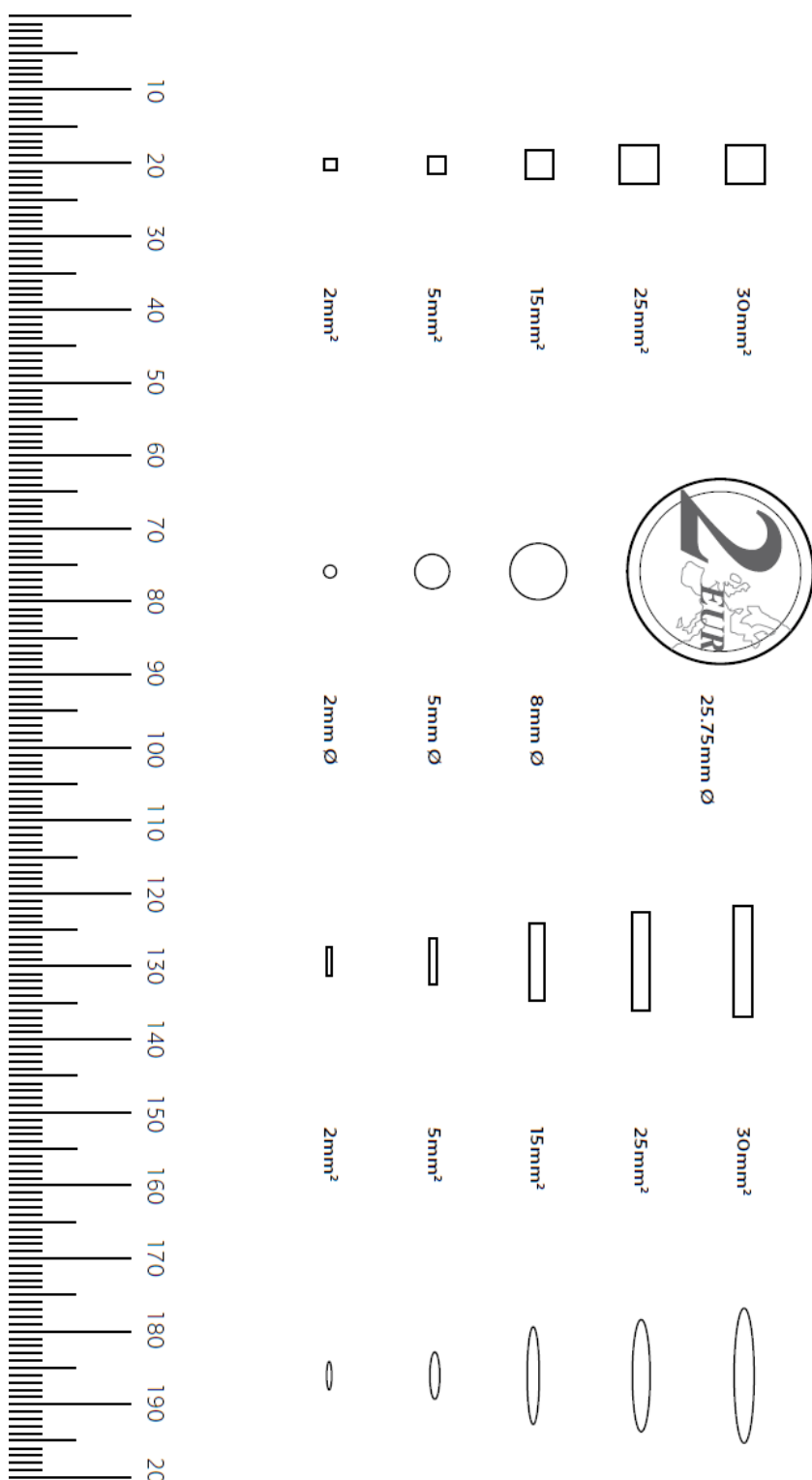
Oil drops on the oil pan



Maintenance / Service due



4 MEASUREMENT SIZES



5 VEHICLE CONDITION REPORT

This report must contain at least the following 3 main parts, illustrated or not by photo.

5.1 Vehicle identification

- VIN
- Registration
- First registration date
- Brand
- Model name
- Commercial version
- Bodycolor

5.2 State of vehicle

- Mileage
- Maintenance level
- Location
- Date of Condition report

5.3 Description of damage

- Parts position
- Description of Wear or damage



VEHICLE CONDITION REPORT

VEHICLE DETAILS					
VIN	5YJXCCE29HF069395	Registration Date	01/06/2018	Exterior Colour	Blue
Make	TESLA	Licence Plate	1UNP442	Odometer	67678
Model	MODEL X				


INSPECTION DETAILS					
Arrival Date	01/02/2021 11:24:06	Inspector No - ID	4278 - 4099457	Insp. Date	01/02/2021 11:24:06
Assgn. Date	28/01/2021 23:07:55	Company Name	LeasePlan	Inspection Loc.	2. LeasePlan CarRemarketing



DOCUMENT LIST			ACCESSORIES		REMOVABLE ITEMS
Audio Manual	✗	Certificate of Conformity	✓	7 zitplaatsen	✓
Delivery Condition Report	✗	Emmissions Cert	✓	ABS (anti blokkeringsysteem)	✓
Euro Sticker	✗	Insurance	✗	Air-Conditioning (Automatic)	✓
Original Key	✓	Owners Manual	✗	Audio, AM/FM/CD	✓
Registration Form	✓	Service Manual	✓	Automatische versnellingsbak	✓
Spare Key	✓	Tax Sticker	✗	Boordcomputer	✓
Transport Licence	✗			Centrale vergrendeling	✓
				Cruise control	✓
				Electrische ruiten	✓
				Heated Seats	✓
				Lederen bekleding	✓
				Lights Xenon	✓
				Metallic	✓
				Multifunctioneel stuurwiel	✓
				Navigation System	✓
				PDC	✓
				Power Steering	✓
				Radio-CD	✓
				Verwarmde zetels	✓

TYRES						
Position	Tread	Manufacturer	Diameter	Actual Size	Tyre Season	
Front Left	6 mm	Michelin	20	255/45	Winter	
Front Right	6 mm	Michelin	20	255/45	Winter	
Rear Left	6 mm	Michelin	20	275/45	Winter	
Rear Right	6 mm	Michelin	20	275/45	Winter	

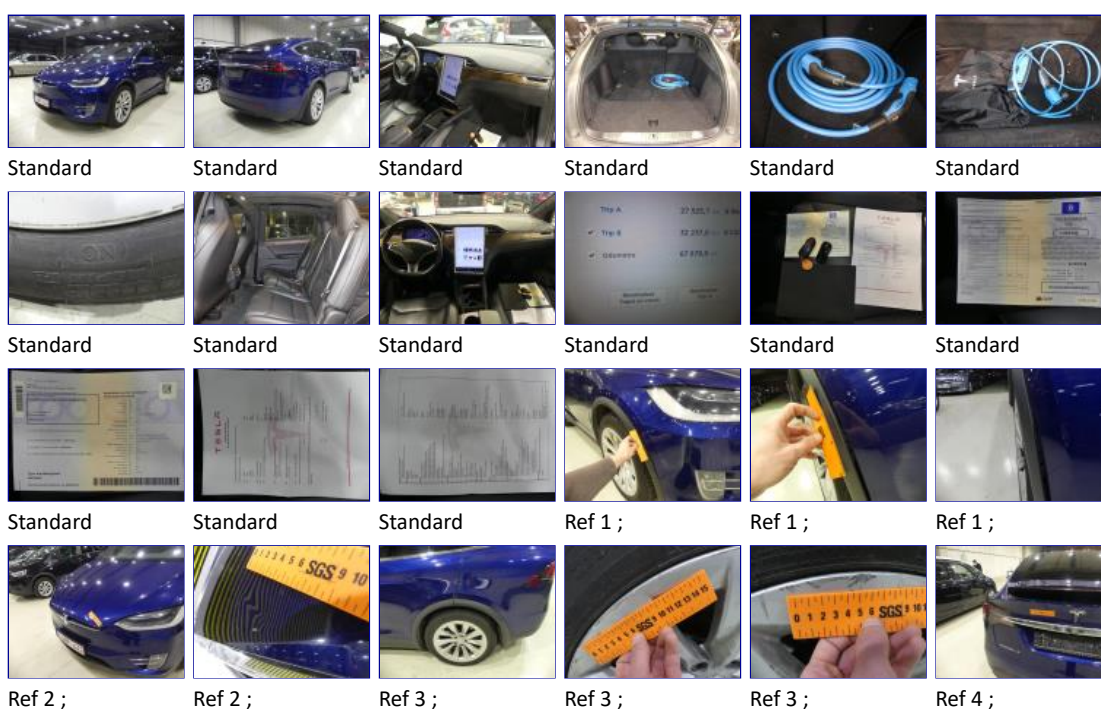
EXTERIOR DAMAGES							
1		Part	Protection Strip - Right Front	Repair labour cost	€ 5.00	Flat labour cost	€ .00
		Type	Bent	Repair Cost	€ 55.32	Total Cost	€ 60.32
		Severity	20 cm - 25 cm	Paint labour cost	€ .00	Dep(%)	0.00%
		Repair Mode	Remove & Replace	Paint price	€ .00	Dep. Amt.	€ .00
		Cause	In Service	Flat price	€ .00	Net Cost	€ 60.32
2		Part	Hood / Bonnet - Front	Repair labour cost	€ 50.00	Flat labour cost	€ 50.00
		Type	Dented w/ Paint Dmg	Repair Cost	€ 243.20	Total Cost	€ 305.20
		Severity	4 cm - 6 cm	Paint labour cost	€ 12.00	Dep(%)	0.00%

		Repair Mode	Repair Metal / Refinish	Paint price	€ 243.20	Dep. Amt.	€ .00
		Cause	In Service	Flat price	€ .00	Net Cost	€ 305.20
3		Part	Aluminium rim - Left Rear	Repair labour cost	€ .00	Flat labour cost	€ .00
		Type	Gouged	Repair Cost	€ 80.00	Total Cost	€ 80.00
		Severity	20 cm - 25 cm	Paint labour cost	€ .00	Dep(%)	0.00%
		Repair Mode	Smart Repair	Paint price	€ .00	Dep. Amt.	€ .00
		Cause	In Service	Flat price	€ 80.00	Net Cost	€ 80.00
4		Part	Boot Lid - Rear	Repair labour cost	€ 50.00	Flat labour cost	€ 50.00
		Type	Multiple Dents	Repair Cost	€ 183.40	Total Cost	€ 245.40
		Severity	10 cm - 15 cm	Paint labour cost	€ 12.00	Dep(%)	0.00%
		Repair Mode	Repair Metal / Refinish	Paint price	€ 183.40	Dep. Amt.	€ .00
		Cause	In Service	Flat price	€ .00	Net Cost	€ 245.40
5		Part	Aluminium rim - Right Rear	Repair labour cost	€ .00	Flat labour cost	€ .00
		Type	Gouged	Repair Cost	€ 80.00	Total Cost	€ 80.00
		Severity	25 cm - 30 cm	Paint labour cost	€ .00	Dep(%)	0.00%
		Repair Mode	Smart Repair	Paint price	€ .00	Dep. Amt.	€ .00
		Cause	In Service	Flat price	€ 80.00	Net Cost	€ 80.00

INSPECTION SUMMARY			
TOTAL COST	€ 790.18	TOTAL DEPRECIATION	€ .00
		NET COST	€ 790.18

LABOUR COST SUMMARY			
Type	Hourly Rate	Number of Hours	Labour Cost
Mechanical	€ 50.00	0.10	€ 5.00
Metal	€ 50.00	2	€ 100.00
Paint	€ 60.00	0.40	€ 24.00
Total		2.50	€ 129.00

MISCELLANEOUS						
	Hours	Rate	Cost	Dep(%)	Dep. Amt.	Total
Preparation Cost	0	€ .00	€ .00	0.00%	€ .00	€ .00
Small Parts / Disposal Charge			€ 19.26	0.00%	€ .00	€ 19.26
Exception Cost			€ 770.92		€ .00	€ 770.92
Total Cost			€ 790.18		€ .00	€ 790.18





Ref 4 ;



Ref 5 ;



Ref 5 ;



Ref 5 ;