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OGILVIE FLEET WINS CUSTOMER PLAUDITS FOR NEW APPROACH TO END OF CONTRACT VEHICLE DAMAGE CHARGES

Thank-you email sent to clients for returning vehicles in "good clean condition"

A unique approach to tackling frequently contentious end-of-contract damage charges on leased vehicles has been introduced by Ogilvie Fleet and won glowing praise from customers.

Ogilvie Fleet operates a total transparency policy in respect of defleet company car and van damage charges by telling customers what they will be at the outset of the contract.

What's more, when a customer returns a vehicle that is charge-free Ogilvie Fleet now sends the fleet manager a congratulatory email thanking them and the driver for returning the vehicle in "good clean condition".

Ogilvie Fleet operations director Jim Hannah said: "We want customers to have a pleasurable experience when they lease vehicles from us and not for it to be tainted by a battle over end-of-contract charges."

The company operates a standard fixed cost end-of-contract damage recharge cost matrix that customers leasing company cars and light commercial vehicles sign up to in their master hire agreement.

Irrespective of whether a company car is a supermini or from the executive sector, Ogilvie Fleet end of contract damage recharge costs to return a vehicle to British Vehicle Rental and Leasing Association 'fair wear and tear standard' are just: £75 for a door panel, front wings and rear quarter panels; £120 for a bonnet, boot lid, tailgate, bumper or roof.

Similarly for light commercial vehicles, sample recharge prices include: £75 for door panels and front wings; £120 for side sliding doors, large side panels or bonnet, tailgate and bumpers; £250 for a roof.

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Other charges include: alloy wheel refurbishment £35, full valet £40 and windscreen chips (maximum three) £40.

Mr Hannah said: "Our standard end of contract damage recharges are substantially less than would normally be expected and we know that such repairs could not be completed by a customer at these prices. Our pricing matrix is widely accepted as fair and reasonable within our customer base."

Critically, today Ogilvie Fleet has a virtual 100% acceptance rate on end-of-contract charges applied compared with a query/rejection rate of 44% prior to introduction of the matrix.

"The matrix is undoubtedly a unique selling point for Ogilvie Fleet because it shows to customers that any charges are very low compared to the rest of the industry. Additionally, if charges are levied, they are aware of what they will be at the outset of the contract," said Mr Hannah.

"Many of our competitors use bodyshop pricing as the basis for end-of-contract charges and they can be very expensive and result in disagreements between lessor and customers."

Vehicle condition is initially assessed by Ogilvie Fleet's collection agent with the driver or fleet manager present, but no damage costs are advised or agreed at that point.

Subsequently each vehicle is assessed by Mr Hannah or one of the operations team and any damage is notified to customers using the fixed cost matrix and supporting digital images and electronic appraisal.

In the 12 months to June 30, 2013, of 2,787 cars and vans defleeted a total of 61% attracted no end of contract damage charges. The average cost per vehicle across the 39% where damage charges were levied was just £241; while the average charge across all defleeted vehicles was only £87.

Despite a greater number older vehicles returning in 2013 due to fleet replacement cycle extension as a consequence of the tough economic climate faced by many businesses in recent years, average damage charges have been held at what Ogilvie Fleet believe are industry leading low levels:

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Year	Damaged %	Average damage on all defleeted vehicles
2010	21%	£50
2011	31%	£78
2012	39%	£110
2013	39%	£87

Mr Hannah said: "Given the increased age and mileage of vehicles being returned I think we are being more benevolent towards customers in terms of end of contract damage charges. It would be natural to assume that older vehicles would incur higher charges, but we want to be fair and reasonable to customers and we are more lenient towards vehicles that are four, five or six years old and have clocked up high mileages."

To further improve customers' experience of Ogilvie Fleet, its new 'thank-you email' has won client support.

Mr Hannah said: "A leasing company's operations department can frequently be the bearer of bad news whether that is in respect of maintenance or end-of-contract charges. However, we believe that it is also important to communicate good news to customers."

Christine Bamber, fleet manager at Cegedim RX, the market-leading supplier of software solutions and computer services to UK pharmacies, which operates more than 100 cars, said after receiving an email: "It is the first time I've had one of these! I like it. With our previous supplier end of contract charges used to be quite high whereas with Ogilvie we do not have that problem."

Rodney Harkins, in charge of the fleet of more than 100 company cars at Glasgow-headquartered Community Eyecare Ltd, which trades as Visioncall, said: "It was a very pleasant surprise to be congratulated on returning a couple of our cars in good condition and that no end-of-contract charges were due. Over many years, we have received excellent customer service from Ogilvie, and this is another example."

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Nancy Curzon, administrator at Cheshire-based Yokogawa UK, which operates 42 vehicles, said: "We have been working with Ogilvie for the past five years. Ogilvie has a very professional work ethic. One example of the company's excellent customer service is congratulating customers when vehicles are returned in good condition and no additional charges are incurred."

Editor's notes

Ogilvie Fleet, which is headquartered in Stirling with offices in Birmingham Sheffield and Northern Ireland, provide contract hire, leasing and fleet management solutions for UK and European companies operating vehicle fleets ranging from five to 2,000+ units.

The fleet today totals almost 11,000 vehicles, making the company one of the largest independent contract hire and leasing specialists in the fleet sector.

Ogilvie Fleet's reputation is built on an ability to deliver bespoke solutions and a consistently high quality of service, linked with competitive pricing and a 'real world' ability to work in partnership with clients. In essence, the organisation delivers the perfect combination of small company service ethos and large company buying power.

That philosophy has won Ogilvie Fleet a string of industry awards in recent years. They include: winning the Experteye Fleeteye CSI (customer satisfaction index) Award in 2010, 2011 and 2012; winning the 2012 Best Customer Service Award at the annual *Fleet News* Awards and beating 49 other contract hire and leasing companies to win the 'FN50' Customer Service Award from *Fleet News*.

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