

Rental Vehicles and Damage Scams

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1. You rented a car and returned it in good condition. During your use of the vehicle, there were no collisions, no fender benders, no flying debris hitting the windshield, not even any coffee spills on the carpet. Then, days, or even weeks later, you received notification from the rental agency that there was significant damage to the vehicle you returned and they will be charging your credit card hundreds, maybe even thousands of dollars for repair. To add insult to injury, they also charge you some sort of administrative fee for processing their bogus claim. How could this fiasco have been prevented? What can you do about it now?

2. Preventative Measures.

Just as when a tenant takes possession of a rental residence, renters of vehicles should conduct a thorough inspection of the property. Note any damages, dings, scratches, stains or anything that isn't just right. Rental companies will typically provide a form to record the results of such inspection. Ideally, you should also document any pre-existing damage visually with photos and / or video. Make sure that there is some clear way to establish the date of your video record. Do not accept a vehicle with significant damage.

Conduct and document a similar inspection upon return of the vehicle.

Document the mileage and fuel level at the time of vehicle turn in.

Get a receipt for turning the vehicle in.

If possible, return the vehicle at a time when the rental agency is open and there are employees present. Unfortunately, returning the vehicle during normal business hours may not be a viable option, particularly if you are using an airport rental agency and you have to catch a very early flight. If you do return the vehicle during business hours, someone from the rental agency will probably conduct an inspection and if there is any report at all documenting the vehicle condition, get a copy. They may later claim that this inspection was only preliminary, and a full inspection conducted later discovered the damage. Nonetheless, documentation of the turn in inspection conducted by the rental employee can be very useful, especially if the damage claimed later would have been obvious to the preliminary inspector.

Consider purchasing the rental company's collision damage waiver. Doing so may add significantly to the overall price of the rental, but it can be very useful. Read the fine print about what it covers. Find out if your own vehicle insurance covers damage to a rental car. Even if it does, you may still wish to consider purchasing the CDW to avoid the hassle of making a claim with your insurance company and of course paying the insurance deductible.

Keep all the records.

Drive safely. You may be held responsible for damage that you did in fact cause. You may also be held responsible, depending on the contract, for damage that you did not cause but which occurred during the rental period.

3. Reactive measures

Dispute the matter. The scammer may assume that it can inflate the rental charges or impose phony charges with impunity because consumers will not dispute the matter either to avoid the hassle or in the belief that any dispute will be futile. Dispute the matter in writing with the company.

Be persistent. If the initial dispute is denied, complain again, with additional information that refutes the company's purported justification for denial. Or perhaps appeal to a higher level of the corporation. The military legal assistance office and private consumer assistance organizations may be able to assist concerning these appeals.

Complain as well to relevant government enforcement agencies, such as your state attorney general and the Federal Trade Commission. The government agency may make inquiry to the rental company. Sometimes just the inquiry is enough to persuade the miscreant business to rescind the phony charges. Further, if enough people complain, the government agency may decide to sue the business, seeking restitution for all persons aggrieved, a civil penalty, and judicial orders to take certain corrective actions. In some cases, complaints may cause the government agency or the legislature to enact regulations or laws to address and prevent a particularly widespread problem.

Consider reporting rental car issues to the Armed Forces Disciplinary Control Board (AFDCB). This organization makes recommendations to the installation commander concerning off limits designation. While a single complaint does not ordinarily lead to such action, it may if it is especially egregious and harmful, or indicative of a pattern of abusive behavior. Further (a) there may already be complaints concerning the problem business, and (b) if not, additional complaints may be submitted subsequent to yours.

Although it may be aggravating and time consuming, and involve legal fees, consider private lawsuit against the company. You may be able to obtain an initial consultation with private legal counsel to evaluate your case for free or for a nominal charge.

4. Other scams / issues. The focus of this article is the phony rental car damage scam; however, there are other scams and problems associated with rent-a-car companies. They include, but are not limited to:

Imposter sites pretending to be rental companies when they are actually scammers.

The upgrade scam. The less expensive vehicle is not available, so you upgrade to a luxury vehicle. All OK, unless they sneak in higher rates or extra charges.

Late turn in fee. You are charged for turning in the vehicle after a certain time of day, even though the contract does not require turn it in by that time.

Insurance coverage and international travel. Your personal vehicle insurance may not cover damage incurred while driving in another country. Or it may cover damage you caused, but not damage caused by the negligence of someone else. Determine your coverages before driving in another country.

Credit Card Block. The rental agency may put a block on your credit card sufficient to cover the deposit; i.e. the rental fee plus some additional potential costs. The deposit should be rescinded when you return the vehicle. Even so, the credit block could be a big problem if you are near your credit card limits.

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