

The complaint

Mrs D complains about the way that BMW Financial Services (GB) Limited, trading as Alpheria Financial Services, has dealt with the early settlement of a hire purchase agreement under which a car had been supplied to her.

What happened

A used car was supplied to Mrs D under a hire purchase agreement with Alpheria Financial Services that she signed in August 2017. She phoned Alpheria Financial Services in July 2020 about settling her agreement early and she was given an early settlement figure of £6,737.47. She paid that amount to Alpheria Financial Services and cancelled her direct debit so the payment that was due to Alpheria Financial Services that month wasn't paid. It contacted her about paying the outstanding amount of £213.39 so she complained to it.

Alpheria Financial Services said that the letter that it sent to Mrs D said that the settlement figure: "... *assumes any repayment which we are currently processing will still be paid (in addition to the settlement figure)*", so the £213.39 was still owed. Mrs D wasn't satisfied with its response so complained to this service.

Our investigator didn't recommend that this complaint should be upheld. He didn't think that Alpheria Financial Services had made an error by requesting that Mrs D repay the final amount due under her hire purchase agreement.

Mrs D has asked for her complaint to be considered by an ombudsman. She says the information supplied by Alpheria Financial Services is very misleading and unfair and that the settlement figure on the front page of the letter clearly states the amount and doesn't refer to other payments. She says that she asked for the settlement figure five days before the date of the letter and that she was in the process of making the settlement figure by the time that she received the letter.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Mrs D phoned Alpheria Financial Services in July 2020 about settling her agreement early and she was quoted an early settlement figure – I haven't been provided with a recording or transcript of that conversation so I don't know what was said at that time;
- five days later Alpheria Financial Services sent an early settlement letter to Mrs D by e-mail which confirmed that the settlement figure was £6,737.47 and which said, under a heading "*How has my Settlement Figure been calculated?*" in a section about some frequently asked questions that: "*It assumes any repayment which we are currently processing will still be paid (in addition to the settlement figure)*";
- it's clear why Mrs D considered that she only needed to pay £6,737.47 to Alpheria Financial Services and I consider that it should have stated more clearly that the

settlement figure was in addition to the July 2020 repayment, but I also consider that it would be reasonable to expect Mrs D to have read the letter that Alphera Financial Services had sent to her;

- if she'd done so, I consider that she would have known, or ought reasonably to have known, that she was required to make the payment of £213.39 that was due in July 2020 in addition to the settlement figure of £6,737.47;
- I consider that the correct amount that was due from Mrs D was the early settlement figure of £6,737.47 and the July payment of £213.39, so I'm not persuaded that it would be fair or reasonable in these circumstances for me to require Alphera Financial Services to remove the charge of £213.39 from Mrs D's account - or to take any other action in response to her complaint; and
- I sympathise with Mrs D for the issues that she's been caused and it's clear that she has strong feelings about her complaint and she says that she has no intention of paying the £213.39 - but if she doesn't do so I consider it to be likely that Alphera Financial Services will take further action to recover the debt from her, to the extent that it's legally entitled to do so, and that it will record adverse information about the debt on her credit file.

My final decision

My decision is that I don't uphold Mrs D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 5 April 2021.

Jarrold Hastings
Ombudsman