

## **The complaint**

Mr R complains that BMW Financial Services (GB) Limited (which I'll refer to as "Alphera") provided him with a car which was not of satisfactory quality.

## **What happened**

In December 2019 Mr R entered into a three-year hire purchase agreement with Alphera. The car had been first registered in April 2015 and had a cash price of nearly £24,000.

In or around April 2020 Mr R says that he noticed that the car's paintwork was peeling. He complained to Alphera, which in turn contacted the dealership which had supplied the car. It acknowledged that the car had previously been resprayed but that the work had not been done to a satisfactory standard. The dealership told Alphera that it would carry out remedial work at no cost to Mr R.

Mr R was however unable to resolve the issue and referred the matter to this service. Initially, there was a question as to whether the complaint had been referred to the service outside the relevant time limits. An ombudsman reviewed that point. He concluded that the service did after all have power to consider the merits of the case and referred the case back to the investigator for consideration of the merits.

On considering the merits of the case, the investigator thought that the dealership's offer to repair the paint damage was a fair resolution in the circumstances. He felt however that Alphera had not handled things as well as it should have done and recommended that it pay Mr R £100 in recognition of that.

Alphera replied to say that it no longer had a relationship with the dealership. It suggested therefore that Mr R obtain a quote for the reported damage and said that it would refund the cost of repair and pay the additional £100 recommended by the investigator. It stressed that it would not pay for a full respray of the car.

Mr R did not accept the investigator's view or Alphera's offer. For that reason, he did not provide a quote for the repairs. He thought a fair resolution would be a payment of around £1,800 – or £100 for each month he had the car.

Because no resolution could be agreed, the case was passed to me for consideration.

I considered what had happened and issued a provisional decision. I noted that there was no real dispute that the car was not of satisfactory quality, as it should have been. I noted that Alphera had said that it no longer had a relationship with the dealership, but that it had offered to refund the costs of respraying the affected areas of the car. I thought that offer was reasonable but that Alphera ought to make a payment to Mr R against a reasonable estimate of the cost of repairs, rather than reimbursing him after he had made payment. I invited Mr R to provide an estimate.

I also thought that the investigator's recommendation of an additional £100 was a little low and suggested £250 instead.

Mr R provided two estimates, the second an updated one after he says that further damage came to light. The most up to date estimate of the costs of repairs was for £3,540.89. The investigator sought Alphaera's comments. It said that it did not agree that it should pay the sum in the quote because Mr R bought a used car and was already benefiting from my decision. I have therefore reviewed the case afresh.

### **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.

There is, as I say, no dispute that the car was not of satisfactory quality. The dealership acknowledged that it had been resprayed but that the work had not been completed to a satisfactory standard. That is, the issues with the paintwork were not simply down to the car's age; they were the result of unsatisfactory work having been carried out. Alphaera is therefore under a duty to put that right. I indicated in my provisional decision that it should do that by meeting the costs of rectification work.

Alphaera has not however taken the steps I recommended in my provisional decision. It is not therefore correct of it to say that Mr R is benefiting from that decision. Mr R currently has a car which is not of the standard it should be. The reason for that is that Alphaera did not supply a car which was of the appropriate standard and neither it nor the dealership has done anything practical to rectify that.

I have no reason to think that the estimate that Mr R has provided is inflated or unrealistic. He has suggested that a complete respray is appropriate, because further defects may come to light in the future. I understand his point here, but I do not think it would be fair to require Alphaera to compensate him for losses which he might or might not incur in the future – especially given the time he has now had the car.

### **Putting things right**

As I have indicated, I have no reason to think that the estimate of the cost of rectification work is inflated. It follows that Alphaera should meet that cost.

I indicated in my provisional decision that I thought Alphaera should consider arranging a courtesy car or meeting Mr R's additional travel costs while any work is being done. I remain of that view, although I am not making a formal award requiring it.

### **My final decision**

For these reasons, my final decision is that, to resolve Mr R's complaint in full, BMW Financial Services (GB) Limited should pay Mr R:

- £3,540.89 to cover the costs of repairs; and
- £250 in recognition of the distress Mr R has suffered and the inconvenience to which he has been put.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 May 2022.

Mike Ingram  
**Ombudsman**