

## **The complaint**

Ms K complains that BMW Financial Services (GB) Limited (BMWFS) refused to let her reject a faulty car.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the reasons for my decision.

## **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 the following reasons:

It has been agreed by all parties that the car was faulty at the point of sale and rejection is the best option. Having read the evidence I consider that to be a fair and reasonable conclusion. The remaining issue for me to decide is the amount of redress due.

BMWFS has said that £1,000 of the deposit paid by Ms K was for alloy wheel insurance and was not part of the finance agreement and so this should not be returned to her. I have reviewed the evidence and I see that Ms K paid £1,000 on 8 June 2021 and the invoice records: £1,000 paid not assigned". Ms K then paid £12,500 on 25 June 2021.

The finance quote dated 7 June 2021 says that the cash price is £74,735 of which £13,500 will be paid as a deposit and the balance will be covered by finance from BMWFS. Ms K has also produced an extract from the order which shows that she had not chosen the wheel insurance option. She says that was thrown in by the dealer as part of the package.

It seems that the dealer chose to allocate the initial deposit of £1,000 to wheel insurance and I am satisfied that this was done without Ms K's knowledge. As far as she was concerned she had paid a deposit of £13,500. It would appear that the dealer chose to allocate payments in a manner which suited it and I don't believe that means that Ms K should be denied the return of her full deposit.

BMWFS has also challenged the award of £800 for the distress and inconvenience suffered by Ms K. It had previously offered £660 which is one month's payments but has said this was before rejection had been contemplated. I have noted the emotional distress suffered by Ms K and it is clear that this matter has taken quite some time to resolve. It has also caused a significant emotional toll on Ms K. However, I think the amount proposed is slightly more than I would normally award so I am minded to determine it at £700. I am aware Ms K wishes this matter to be resolved without delay and so I do not consider I need to issue a provisional decision because of this minor alternation which would delay matters by over a month and add to her distress.

Finally, I have concluded there is no reason to extend the 30% reduction beyond the months set out by our investigator. I consider that is sufficient to reflect the situation and I consider the overall redress is fair and reasonable.

### **Putting things right**

Ms K should be allowed to reject the car.

### **My final decision**

My final decision is that I uphold this complaint and I direct BMW Financial Services (GB) Limited to:

- end the agreement without further cost,
- arrange for collection of the car at no cost to Ms K,
- refund the full deposit,
- pay her £700.00 for the distress and inconvenience she has suffered.
- refund 30% of her monthly payments for the months of October, November, December 2021, and January 2022,
- remove any adverse markers on her credit file if any have been made,
- pay annual interest at 8% simple on any refunded payments from the date paid until repaid.

HM Revenue & Customs requires BMWFS to take off tax from this interest. BMWFS must give Ms K a certificate showing how much tax they've taken off if she asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 18 May 2022.

Ivor Graham  
**Ombudsman**