

## **The complaint**

Miss C has complained about the way BMW Financial Services (GB) Limited trading as MINI Financial Services (BMWFS) administered a hire purchase agreement.

## **What happened**

The circumstances of the complaint are well known to the parties so I'm not going to go over everything again in detail. But to summarise, Miss C entered into a hire purchase agreement with BMWFS in March 2019 to acquire a new car that cost around £20,000. The agreement was to be paid back over four years with monthly payments of around £220 followed by an optional final repayment of around £7,400.

Miss C contacted BMWFS about refinancing the final repayment towards the end of the term of the agreement. BMWFS initially declined this application. Miss C contacted it in March 2023 to ask for help and to complain about the decision. Towards the end of April 2023 BMWFS responded to say it had approved the refinance application and that it would get in touch with Miss C to take the next steps. It apologised previous emails Miss C had sent didn't reach the underwriting team and for the inconvenience caused.

In May 2023 Miss C referred her complaint to our service. She was concerned that when BMWFS sent her the refinance documents to complete there were delays and some of the details on the paperwork were incorrect.

I'm not going to set out everything that happened next, but over the next few months there were several messages sent between Miss C and BMWFS in trying to sort out the refinance. Miss C raised various issues with the process. She said she was really frustrated because she felt she was making every effort to resolve things and get the refinance in place. She said there were issues with the bank details on the forms; the figures on the forms; the formatting of the forms; and that there were often delays in getting a response from BMWFS.

Our investigator issued an assessment in July 2023 saying BMWFS had made errors which had impacted Miss C. He said BMWFS should provide Miss C the correct documentation for the refinance application and pay her £125. BMWFS agreed to this. And it looked like Miss C was willing to accept the outcome, but she tells us she didn't hear from BMWFS with what was needed and that it had contacted her with a notice of sums in arrears. There was more back and forth over the next few months. Miss C complained that things weren't getting resolved. This resulted in the original quotation for refinance expiring so Miss C needed to make another application. I understand the refinance application was activated in November 2023.

Miss C was relieved the refinance application had gone through but was upset it had taken so long to sort out. She mentioned she'd still not received the £125 compensation, which was queried with BMWFS, and it said it had sent a cheque towards the end of September 2023.

I issued a provisional decision that said:

*I want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Miss C and BMWFS that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.*

*Miss C is unhappy with how BMWFS administered a hire purchase agreement. This is a regulated consumer credit agreement, and our service can consider complaints relating to these sorts of agreements.*

*Generally speaking, when deciding a complaint, I would primarily consider what happened up to the firm issuing its final response letter. This is so that the firm has a chance to respond to the complaint and I can consider whether it acted fairly or not. The problem in this case is that a lot of what Miss C is unhappy about relates to events that took place after BMWFS issued its final response. She's unhappy it took around eight months to put the refinance agreement in place. I'm mindful that the events flow directly from what was agreed in the final response letter. And I'm also mindful that BMWFS, by accepting the investigator's assessment, is indicating it's willing to accept the Financial Ombudsman considering some events that happened after the final response letter.*

*I've decided to issue a provisional decision so that I can let the parties know I'm intending to consider everything that happened up to the point BMWFS put the refinance application in place. If accepted, I think this will allow the parties to draw a line under things. And it will mean Miss C and BMWFS won't need to go through another complaints process, which could result in further costs and inconvenience for the parties. I think this is a sensible way forward, but if either party disagrees, they can let me know in response to this provisional decision.*

*It looks like the parties were all broadly willing to accept our investigator's assessment in July 2023 which involved sending out the correct documents for Miss C, along with £125 compensation. It must have been frustrating for Miss C that she had to go back and forth with BMWFS so many times. She's complained about several issues with the paperwork and having to repeat herself several times. I agree the investigator's view seemed like a fair way to put things right around that time. But things still weren't resolved until November 2023, another few months. So should BMWFS do more in recognition things weren't resolved within a reasonable amount of time?*

*It shouldn't have taken until November 2023 to put in place a refinance that was offered in April 2023. From what I've seen, Miss C has been very responsive to the contact from BMWFS, and I think it's clear she wanted the arrangement put in place efficiently. But there seems to have been several problems with her being able to do that. I don't have all the evidence of the problems with the paperwork that I'd like to have seen. But Miss C's account of what went wrong seems consistent and credible. She regularly kept the Financial Ombudsman up to date when she was waiting for documents to be sent, or when there were mistakes. So on balance, I'm satisfied there were mistakes made. Matters were further delayed because the quotation expired. And she's shown us messages from BMWFS where there was an issue with the formatting of the text. Some of this may have been outside of BMWFS's control to some extent but, on balance, I think BMWFS could have done more to help Miss C resolve things much sooner than it took.*

*In all the circumstances, I think the £125 compensation recommended by our investigator was fair at that time. This wasn't actioned straight away by BMWFS. Given matters took a few more months to resolve whereas, from what I've seen, Miss C was very responsive to the requests, I'm minded to say BMWFS should also pay another £125. Miss C has*

*indicated she's not received the first compensation cheque, so I think BMWFS should cancel it and either pay her direct or make other arrangements to pay her £250 in total. I think this is reasonable given the length of time it took to resolve things. I also think that any adverse information in relation to missed payments should be removed from Miss C's credit file from March 2023 to December 2023 – the period she's been trying to put the refinance in place.*

*I should point out that these are only my provisional findings. I need to give the parties the chance to respond before I decide whether to issue a final decision.*

Miss C accepted the provisional decision. BMWFS didn't add anything substantive but wanted to highlight it had sent a cheque for £125.

### **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.

Seeing as though neither party has submitted anything new for me to consider I see no reason to depart from the conclusions I reached in my provisional decision. BMWFS will need to check to see if it needs to cancel and reissue the £125 payment again, because it's not clear the cheque was ever received or paid in by Miss C.

### **My final decision**

My final decision is that I uphold this complaint and to the extent it's not done so already direct BMW Financial Services (GB) Limited trading as MINI Financial Services to:

- Pay Miss C a total of £250.
- Remove any adverse information in relation to missed payments from Miss C's credit file from March 2023 to December 2023.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 29 February 2024.

Simon Wingfield

**Ombudsman**