

The complaint

Mr H complains about problems he's had with BMW Financial Services (GB) Limited, trading as Alphera Financial Services (Alphera), since he returned a car, he had been financing through them.

What happened

In January 2019 Mr H took receipt of a car. He financed the deal through an agreement with Alphera. In September 2023 he returned the car to Alphera but complained that he received invoices for varying and unsubstantiated amounts, that they were unfair to charge a fee for returning the car late, that they didn't respond when he sent them his income and expenditure form and that they reported adverse information to his credit file.

Mr H was dissatisfied with Alphera's response to his complaint. So, he referred it to this service. Our investigator didn't think Mr H had received the service he deserved. She suggested to put things right Alphera should adjust the late rental charge to 7 days, pay him £200 in compensation and remove the adverse information they had added to Mr H's credit file.

Alphera didn't respond to our investigator's view. So, the complaint has been referred to me, an ombudsman, to make a final 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.

I agree with our investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr H acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

Late fees

Mr H told Alphera that he wanted the car to be collected before 29 August 2023, but they didn't contact him to arrange collection until 8 September 2023. They say they charged him for returning the car 18 days late but that seems unreasonable given the delay was due to them not getting back to Mr H. That said, Mr H could have confirmed matters earlier. He had

been made aware of the need to inform Alphera of his intentions since early August 2023. Overall, I think Alphera should charge Mr H one week of late return fees.

Invoicing

I can understand that Mr H will have been confused about how much was left to pay. He was provided with several invoices in late 2023 for varying amounts and I can't see that Alphera provided adequate clarification on the sums due until mid-December 2023, despite Mr H contacting them.

Credit reports and the repayment plan

I don't think Alphera were unreasonable to reject Mr H's offer to make 50p payments towards his agreement. That wouldn't be likely to pay off what he owed in a reasonable timeframe. But since they issued their final response to him, I think Mr H has made a reasonable offer. He's been paying £55 per month and that looks like it would clear the debt in about a year and a half. Had Alphera made more effort to consult with Mr H I think they could have resolved matters more promptly and, in those circumstances, I think it would be fair if Alphera did what they said they would do in their December 2023 final response and remove the late payment markers they have reported to Mr H's credit file. That said, I haven't seen sufficient information to suggest that the late payment markers have been the sole reason Mr H has had difficulties in obtaining credit.

Compensation

I think Mr H has experienced some distress and inconvenience here. Alphera haven't been very communicative, and information has been confusing. In the circumstances, I think they should pay Mr H £200 in compensation.

My final decision

For the reasons I've given above, I uphold this complaint and tell BMW Financial Services (GB) Limited to:

- Revise the late payment charge to seven days and send Mr H an invoice for that amount.
- Pay Mr H £200 in compensation for the distress and inconvenience caused.
- Remove the late payment markers they have reported to Mr H's credit file once a payment plan for £55 per month is agreed if it hasn't been already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 December 2024.

Phillip McMahon
Ombudsman