

The complaint

Mr D complains about a used car he acquired through a hire purchase agreement with BMW Financial Services (GB) Limited trading as Alpheria ('Alpheria'). Mr D says that he was misled about the finance agreement as he wasn't given full information about the term, interest rate, and payment amounts including the 'balloon' payment at the end of the agreement.

What happened

Mr D's complaint is about a hire purchase agreement he started in order to purchase a car in January 2018. The car was used, and it had a cash price of £11,388. Mr D paid a £410.90 deposit meaning £10,977.10 was financed. This agreement was to be repaid through 48 monthly instalments of £161.70 and then a final instalment of £5,237. The finance is now settled.

Mr D has complained to Alpheria saying that he felt he was misled about the terms of the agreement, and they were not made clear to him at the time of sale. He also felt that the sale was rushed and pressured.

Mr D has also complained about the amount he paid towards commission in the finance agreement, and that this wasn't disclosed to him when he started the agreement. This is being considered separately and isn't part of this complaint. And Mr D also said that the finance wasn't affordable for him in response to our Investigator's opinion. As this issue wasn't part of his original complaint, Mr D needs to raise this with Alpheria before it can be considered here.

In this decision I'm only considering if Mr D was misled about the finance agreement when he acquired the car.

Alpheria considered this complaint, and it didn't uphold it. It said that the finance agreement outlined the terms of it. And Mr D had signed the agreement to confirm he read and understood it. There was no evidence of pressure or mis-selling. Mr D didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold Mr D's complaint. She said that the credit agreement reasonably explained the terms of the finance. She thought that Alpheria had acted fairly and provided him with the relevant information prior to the supply of the vehicle.

Mr D didn't agree with the Investigator. He said that he didn't receive clear information about the finance, and he was pressured at the time of sale to take it. He said the agreement was signed electronically and not by him.

There was some further correspondence, but no new issues were raised. Because Mr D didn't agree, this matter has been passed to me 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Alphera is the supplier of the goods and the finance provider.

Mr D says he was given false information by Alphera and possibly the car dealer, and this led to him entering into the finance agreement to acquire a car. I understand that Alphera may not have been party to some of these negotiations, and it may not have been aware of what was discussed between Mr D and the car dealer.

But it can still be responsible for what was discussed and the information that Mr D was provided by the dealer and or broker. This is because section 56 of the Consumer Credit Act 1974 establishes that a finance company can be held responsible for antecedent negotiations carried out by their agent that takes place before the agreement is entered into.

And Section 75 of the Consumer Credit Act 1974 implies that, in supplying a regulated credit agreement, a finance provider can be held equally liable if there's been a breach of contract or misrepresentation by the supplier of goods.

So, to uphold this complaint, I need to be satisfied that a misrepresentation has taken place. This means I would need to see that a false statement of fact, or misrepresentation, about the agreement was made and this false statement induced Mr D into entering into the agreement.

I've looked at what I have been provided to see if this is the case.

This finance agreement was started in 2018 which is a relatively long time ago. And so, there isn't a lot of information available about it now. One piece of information that I have seen is the finance agreement itself. This does show in detail, as it is required to, all the terms of the finance, such as how much the loan was for, the term of it and the interest rate and the payments which included the larger final payment.

I've also seen the declaration Mr D signed before he agreed to the finance. He signed to confirm that he had been provided and understood, amongst other things: the initial disclosure document which explained the key features of the finance, an explanation of the finance agreement, that the payments had been explained and his circumstances had not changed and information about who his finance proposal was submitted to.

I don't think these documents are misleading and they do contain enough information for Mr D to have decided about whether the finance was right for him.

Mr D says that the agreement was not signed by him, he says it was signed electronically. I've seen the signature on the declaration and the finance document, and they look to be handwritten. So, I think it's reasonable to say that he was aware of these documents, and he signed them himself to say he understood and agreed with them.

There is no further evidence that shows that Mr D was misled at the point of sale. So, I'm not persuaded that he was misled when he agreed to the finance.

Mr D has also said that the sale was pressured, and he was told, for example, the interest rate was as low as he would get. Whilst I've taken on board what Mr D has said I don't think

it is necessarily an attempt to pressure him to take the loan. It could be that what he was told about the interest rate was a true statement. And, again, there isn't any further evidence, or explanation from Mr D, about how the sale was pressured or rushed.

So, on balance, I don't think there is enough here for me to say that the sale of the finance was pressured or rushed.

Overall, I'm not upholding Mr D's complaint. I've not been persuaded that Alphera has made any errors in relation to the parts of his complaint that I have considered in this decision.

My final decision

For the reasons set out above, I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 25 April 2025.

Andy Burlinson
Ombudsman