

The complaint

Mrs P complains that BMW Financial Services (GB) Limited won't transfer to her husband the hire purchase agreement that she entered into to pay for a car. Her husband is representing her in this complaint.

What happened

Mrs P entered into a hire purchase agreement with BMW Financial Services in January 2024 for a used car to be supplied to her. The price of the car was £41,595, Mrs P made an advance payment of £15,373.83 and she agreed to make 60 monthly payments of £581.11 to BMW Financial Services.

After Mrs P had entered into the agreement, she asked BMW Financial Services to transfer the agreement to her husband as he thought that he could get a better deal from another lender. BMW Financial Services didn't agree to transfer the agreement to Mrs P's husband so a complaint was made to BMW Financial Services and Mrs P then complained to this service in March 2024.

BMW Financial Services responded to Mrs P's complaint in July 2024. It said that it was unable to transfer title to another person's name as that was a breach of its terms and conditions but it recognised that its response was being issued beyond its complaint procedure timescale of eight weeks. It apologised for that and offered to compensate Mrs P £250 in full and final settlement of her complaint. Mrs P didn't accept that offer.

Mrs P's complaint was then looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that she hadn't found that BMW Financial Services treated Mrs P unfairly when it didn't agree to the transfer as it doesn't form part of the agreement and she thought that its offer of £250 compensation was fair under the circumstances.

Mrs P didn't accept the investigator's recommendation and I've been asked to issue a decision on this complaint. Mrs P's husband has provided detailed responses to the investigator's recommendation and says, in summary and amongst other things, that:

- he was in possession of a better offer from another lender some time before the car was supplied to Mrs P;
- Mrs P entered into the agreement as she had used BMW Financial Services for three previous cars;
- the finance price is exorbitant and the dealer is clearly getting a substantial undisclosed fee for the sale of the agreement to Mrs P;
- he's made multiple calls to BMW Financial Services, mostly with no-one answering, and he made a formal complaint to it in February 2024; and
- he contacted BMW Financial Services within the 14 day time frame.

Mrs P's husband also provided evidence to show that he'd sent an email to BMW Financial Services in February 2024 about the commission that was paid for the sale of the

agreement. The investigator said that she'd not seen that email before and that if Mrs P would like this service to look into a complaint about the commission, she could raise a new complaint about it.

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.

Mrs P signed the hire purchase agreement with BMW Financial Services in January 2024 and agreed to make 60 monthly payments of £581.11 to it for a car to be supplied to her. The agreement says:

"This is a Hire Purchase Agreement regulated by the Consumer Credit Act 1974. Sign it only if you want to be legally bound by its terms. This agreement is made and becomes binding on you when you sign it. The goods will not become your property until you have made all the payments. You must not sell them before then".

So after Mrs P had signed the agreement she was bound by its terms and was required to make the monthly payments to BMW Financial Services. If she didn't want to make those payments or to be bound by the agreement, she shouldn't have signed it. Even if BMW Financial Services had agreed to transfer the agreement to her husband (and I'm not persuaded that it should have agreed to do so), he would then have been bound by its terms and required to make those monthly payments.

Mrs P had the right to withdraw from the agreement. The agreement says:

"You have the right to withdraw from this credit agreement without giving any reason. This right begins on the day after the day on which you receive a copy of the agreement (after you have signed it) and ends 14 days later. If you do not receive a copy of the agreement after you have signed, the 14 days will start on the day after the day on which we confirm in writing that the signed agreement is in identical terms to the copy that was given to you before you signed. If you wish to withdraw from this agreement you can write to us at BMW Financial Services Customer Services Department ... or email us ... or telephone us ...".

I've seen no evidence to show that Mrs P contacted BMW Financial Services within the withdrawal period to withdraw from the agreement. Her husband says that he tried to contact it but his calls weren't answered and that Mrs P sent it an email in February 2024. That email was about commission that had been paid relating to agreements that she'd entered into in October 2013 and February 2020 and it looks to me as though it was sent to an incorrect email address as the word "commission" is spelt incorrectly in the email address.

BMW Financial Services' account notes show that Mrs P first contacted it later in February 2024 but there's no reference to her asking to withdraw from the agreement. Those notes also show that Mrs P contacted it again eight days later to request a settlement quote and to ask if the agreement could be changed to her husband's name or if he could be added as a joint agreement holder.

Mrs P had the right to repay the agreement early. The agreement says:

"You have the right to repay all or part of the credit early at any time: (a) You must give us notice by writing to us at BMW Financial Services, Customer Services Department ... or by email to us ... or by telephone to us ...".

A settlement quote had been requested when Mrs P contacted BMW Financial Services in February 2024 so I'm satisfied that she was aware of her right to repay the agreement early. I'm not persuaded that Mrs P had the right to transfer the agreement to her husband or that BMW Financial Services acted incorrectly when it said that it was unable to transfer the agreement to her husband.

BMW Financial Services recognised that its response to Mrs P's complaint was issued after more than eight weeks and it apologised for that and offered to pay £250 compensation to Mrs P. I consider that that was a fair and reasonable response to any issues caused by the customer service issues that Mrs P experienced. Mrs P didn't accept that offer but, if she now wishes to accept it, I suggest that she contacts BMW Financial Services to see if its offer remains available to her.

In his response to the investigator's recommendation, Mrs P's husband says that the finance price is exorbitant and the dealer is clearly getting a substantial undisclosed fee for the sale of the agreement to Mrs P. I can't see that Mrs P has complained to BMW Financial Services about any commission that it paid to the dealer relating to the hire purchase agreement that she signed in January 2024. If she wishes to complain about that issue, she should first make a complaint about it to BMW Financial Services and then, if she's not satisfied with its response, she may be able to make a separate complaint to this service.

It's clear that Mrs P's husband feels very strongly that BMW Financial Services hasn't acted correctly and should have agreed to transfer the agreement to him, so I appreciate that my decision will be disappointing for him and for Mrs P. I find that it wouldn't be fair or reasonable in these circumstances for me to require BMW Financial Services to take any action in response to Mrs P's complaint.

My final decision

My decision is that I don't uphold Mrs P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 12 March 2025.

Jarrold Hastings
Ombudsman