

The complaint

Mr W complains that BMW Financial Services (GB) ("BMWFS") Limited refused him finance to acquire a car through a finance agreement.

What happened

In July 2024 Mr W approached a dealership to acquire a car using finance from BMWFS. His application was declined for the first car, he then applied for finance a second time this time for a cheaper car and was rejected again. He raised a complaint with BMWFS.

In its final response BMWFS said Mr W's overall profile of his application was deemed too high risk to accept. Mr W wasn't satisfied and brought his complaint to this service.

Mr W said he was told the reason for rejection was that he was deemed as a high risk despite there being nothing to suggest this on his credit file. He said he requested an appeal which was rejected. Mr W said he then escalated the appeal and was rejected again, after only eight minutes.

Our investigator concluded it is for BMWFS to decide who to lend to, based on its own credit criteria and its own commercial judgement. Mr W didn't agree and asked for a decision from an ombudsman. He said BMWFS had no sight of his financials and he couldn't see any reason for the rejection.

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 realise this will come as a disappointment to Mr W but having done so I won't be asking BMWFS to do anything further.

Financial businesses aren't generally required to disclose their lending criteria. This is considered commercially sensitive. My role is to consider whether BMWFS acted fairly when it applied its processes for Mr W's application.

Mr W would like to know why he was refused, and this is understandable. BMWFS was asked to disclose information to this service to explain why it declined Mr W's application. Our service operates under Dispute Resolutions Rules (DISP) set by the regulator, the Financial Conduct Authority. DISP 3.5.9 (2) says

The Ombudsman may:

"accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate;"

This means our service may accept information in confidence.

If an application for finance is declined, a prospective lender should provide the main reason

for the refusal. BMWFS said the overall profile of Mr W's application was deemed too high risk to accept. It went on to say that as responsible lenders Mr W's application was assessed using a Credit Scoring process and its internal policies. I've considered this response along with what BMWFS has said to this service about Mr W's application and I'm satisfied BMWFS turned it down fairly.

I understand this will be frustrating for Mr W, especially as he has said there is nothing on his credit file which would help explain the decision. But Mr W should be aware that his credit file forms only part of the lending assessment process.

I'm sympathetic to the fact this is not the news Mr W would like but I'm satisfied BMWFS acted fairly.

Every business has its own processes and policies when it comes to lending. The fact that Mr W has been refused by BMWFS doesn't necessarily mean that an application to another lender will also be refused.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 June 2025.

Maxine Sutton
Ombudsman