

The complaint

Miss M is unhappy with the with the amount of money BMW Financial Services(GB) Limited trading as Alphera Financial (Alphera) asked her to pay after her finance agreement with them was settled.

When I refer to what Miss M or Alphera have said or done, it should also be taken to include things said or done on their behalf.

What happened

In February 2023, Miss M entered into a hire purchase agreement with Alphera to acquire a used car first registered in April 2018. The cash price of the car was around £20,500. The total amount payable was around £27,478. The duration of the agreement was 48 months. There were 47 payments of £378.35 and an optional final payment of £9,695.21.

Miss M said her car was stolen. The settlement figure was £18,353.04, valid from 4 June to 2 July 2024. On 4 June 2024 her car insurance paid out £15,350. Thereafter, she was waiting for her GAP insurance to pay out. On 25 June 2024 Miss M said she received, from Alphera, an updated letter which included two figures. One was the opening balance (including arrears) as of 22 June 2024 which was: £3,003.04. The second, directly underneath it, was the amount of the arrears as of 22 June 2024 which was: £2,624.60. Miss M said her GAP insurance paid out on 10 July 2024 an amount of £2,716.75. But Alphera continued to chase her. Miss M believes that she is due a refund of £92.06. But Alphera advised her that she owes them £286.29. So, she disputed this figure and raised a complaint with them.

Miss M said that prior to the complaint being addressed, Alphera reported a missed payment to her credit file. She said this is incorrect because the amount was in dispute and technically, she no longer had an agreement for which she could miss a payment on. Miss M said that she has no due payment date, no account she can log into online, and she believes that Alphera are the ones that owe her money. As such she believes Alphera recorded incorrect information on her credit file and they still owe her money.

In August 2024, Alphera wrote in response to Miss M's complaint. In summary, they said after reviewing the file, they could see that they sent a settlement quotation of £18,353.04 on 4 June 2024, which was valid until 2 July 2024. They then received £15,350 on 4 June and £2716.75 on 10 July 2024. Alphera said they sent a letter on 25 June 2024, stating that Miss M balance remaining was £3,003.04 as of 22 June 2024. Deducting £2716.75 from this figure leaves a balance of £286.29. Alphera explained that the balance appears to have been calculated correctly. As such, they said they are unable to uphold Miss M's complaint.

Miss M was unhappy with Alphera's response, so she brought her complaint to Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that Alphera have not reported incorrect arrears on Miss M's credit file. As such, they believed it would not be fair to ask them to take any action to correct that.

Miss M did not accept the investigator's outcome. So, the complaint has been passed to me to decide.

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 take into account the relevant rules, guidance, the law, and, where appropriate, what would be considered to have been good industry practice at the relevant time.

Miss M acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, in this decision I only focused on the aspects I can look into. And, I am only looking at the events that have been raised by Miss M with Alphera, the ones they had an opportunity to address in their correspondence sent to her in August 2024.

I know Miss M feels that Alphera made a mistake, and they owe her money. So, I have looked to see what happened.

The statement of account shows the following transactions:

Opening Balance at 10/02/2024	22,937.46
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Settlement Rebate	(3,827.72)
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Less payments made into the account in the Statement Period

Payment Date	Description	
29/02/2024	Direct Debit	378.35
02/04/2024	Direct Debit	378.35
30/04/2024	Direct Debit	378.35
01/05/2024	Rejected Direct Debit	(378.35)
31/05/2024	Direct Debit	378.35
03/06/2024	Rejected Direct Debit	(378.35)
20/06/2024	Standing Order	15,350.00
10/07/2024	Standing Order	2,716.75

The total amount paid in the Statement Period was	18,823.45
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Closing Balance at 09/08/2024	286.29
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From above information and based on all the payments that were due and made towards the account, it is clear Miss M still owes Alphera £286.29.

I know Miss M has mentioned the letter, dated 25 June 2024. I've looked at that letter. It states the opening balance (including arrears) under her agreement was £3,003.04 (as of 22/06/2024). And it states that the amount of the arrears under the agreement were £2,624.69 (as of 22/06/2024). I know Miss M might have thought that she is only responsible for the arrears, but Miss M needed to maintain her monthly repayments on the finance agreement, during the time she was waiting for the insurance company to issue the settlement payments. Therefore, she was responsible for the monthly payments and the arrears on the account. Miss M mentioned that it was not her fault that insurance payout had been delayed, but I do not think it would be fair and reasonable to ask Alphera to take certain actions as they were not responsible for these delays.

From Alphera's contact notes I can see Miss M knew she needed to maintain her monthly repayments on the finance agreement during that time she was waiting for the insurance settlement to arrive, and I can see that she has missed some of those payments as noted in the statement of account above. And I've not seen enough evidence to be able to say that, most likely, Alphera has miscalculated the settlement amount. As such, Miss M does still owe money to Alphera.

Miss M has questioned why negative information on her credit file was recorded in the months of August, September and October 2024. She also said that it is not fair or just that negative information was reported on her credit file because she had an active complaint against Alphera who were ignoring her.

As I already explained above Miss M did owe money to Alphera and this money was due even though she had an active complaint against them. Alphera continued to communicate with her regarding the £286.29 that was outstanding. They were also sending arrears letters which explained the consequences of missing payments and the consequences of not making the £286.29 that was due.

From the credit file Miss M provided, I can see Alphera reported that £286.29 continued to be outstanding in the month of August, September and October 2024. This was correct because after all the other payments on the account were received in July 2024, £286.29 remained outstanding. Overall, Alphera had an obligation to report accurate information to the credit reference agencies, and I have not seen enough that would allow me to conclude that, most likely, Alphera reported incorrect information on Miss M's credit file for those three months.

While I sympathise with Miss M for the difficulties that she is experiencing, based on all the information available in this case, I do not think it is fair or reasonable for me to require Alphera to take any further action regarding her complaint.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 17 July 2025.

Mike Kozbial
Ombudsman