

The complaint

Miss W complains about the quality of a car that was supplied through a hire purchase agreement with BMW Financial Services (GB) Limited trading as Alphera Financial Services (Alphera).

What happened

In September 2020, Miss W signed a hire purchase agreement with Alphera to acquire a used car. The car was about three years old and had travelled around 21,979 miles. The cash price of the car was £30,990, No advanced payment is listed, so the total amount financed on the agreement was £30,990 payable over 47 monthly repayments of £530.97 and an optional final repayment of £12,844.

The total mileage allowable under the agreement was 40,000.

In February 2024 Miss W complained to Alphera that in September 2023 her car broke down and was brought into the dealership for repairs at her cost, however, the car was there for months as they had to wait for parts. Miss W said Alphera asked for a report to prove the issue was present or developing at the point of supply.

In April 2024 Alphera issued their final response to Miss W's complaint, which they didn't uphold. In summary, it confirmed the car had been in the garage for five months as the required parts were not available and a date could not be given either. However, that as there was no evidence the fault was present or developing at the point of supply, and that as Miss W was able to travel around 76,211 miles since being supplied the car, they didn't uphold the complaint.

In May 2024 Miss W provided an independent engineer's report which confirmed the car had suffered failure to the steering mechanism; and that the failure was due to water ingress into the unit. The report concluded that the issue which allowed the water ingress could have been present or developing at the point of supply. The report also confirmed the car's mileage as 99,572, meaning at the point of inspection, the car had travelled around 77,593 miles since Miss W acquired it.

In July 2024 Alphera wrote to Miss W explaining that the issue could be a manufacturing fault which wouldn't have been known or confirmed at the point of sale. They also noted that no previous faults were identified with the car and the allowable mileage was exceeded by around 37,000 so their position remained unchanged.

Miss W brought her complaint to our service where it was passed to an Investigator to look in to. In November 2024 Miss W said the agreement had ended and the car was due to be collected. Miss W said she'd like to reject the car and receive a full refund of all the repayments she made whilst the car wasn't roadworthy.

The Investigator recommended that Miss W's complaint should not be upheld. The Investigator concluded that due to the age and mileage of the car the issues were likely due to a reasonable level of wear and tear.

Miss W didn't accept the Investigator's assessment. In April 2025 Miss W advised the manufacturer had approved the repairs and agreed to cover the full costs. Miss W provided a job card to confirm the completed works. She felt this was evidence that the issue was a widespread manufacturing fault. Miss W also provided an email from the driver and vehicle standards agency (DVSA) which made recommendations to the manufacturer about steering issues. And a link to a social media group where similar steering issues were being discussed.

In July 2025 the Investigator responded to Miss W to advise that the information provided hadn't changed his opinion, so the case has been referred to 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

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.

Miss W complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Miss W's complaint about Alphera. Alphera is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

Here, Miss W acquired a used car which had covered 21,979 miles and cost around £30,990. So, I think a reasonable person would not have the same expectation of quality in comparison to a brand-new model, which had less mileage. But I still think they would expect the car to be free from any major defects and would expect trouble free motoring for both some time and distance.

From the information provided I'm satisfied the car had a fault with the steering rack. This is evident from the engineer's report dated in May 2024 confirming the issue and from the job

card dated in April 2025 which advised the issued was repaired. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

Satisfactory quality

During a phone call with our service in October 2024, Miss W told us that in September 2023 her car broke down and was off the road. Miss W was able to have around three years of use and travel around 77,953 miles prior to the issue occurring. The mileage is confirmed on the independent engineer's report.

Miss W says she believes it was a manufacturing issue which caused the problems and has said that many other vehicles of the same model have had the exact same issue. Miss W says the social media group and the DVSA correspondence have supported her belief that the issue was a manufacturing fault.

In their final response, Alphera advised there was nothing to show the issues were present or developing when the car was supplied to Miss W. They believed the car was in a satisfactory condition when she acquired it.

Under the CRA, as the supplier of the vehicle under this type of agreement, Alphera have a responsibility to ensure the vehicle is of a satisfactory condition when it's supplied.

The evidence provided shows that Miss W was able to have around three years of trouble-free motoring with her car, before the issues occurred. I think this is reasonable considering the car, at the point of failure, had travelled almost 100,000 miles, and Miss W had completed around 77,500 of them.

The independent engineer's report concluded that the vehicle had suffered a failure of the steering rack, and that it was caused by water ingress. It also advised the issue could have been present or developing at the point of supply.

Miss W also provided correspondence from the DVSA which advised they'd received similar reports. It also advised the likelihood of the issue occurring, of prolonged water ingress into the steering motor casing, would depend on several factors and was not constrained by vehicle mileage.

Having considered the evidence Miss W provided, I'm not persuaded that the issue was present or developing when the car was supplied to her. The engineer's report doesn't specifically say it believes the issue was present when Miss W acquired the car, although I acknowledge it says it could have been, which puts it as a possibility as opposed to a certainty or strong likelihood. The correspondence from the DVSA addresses an assessment they made following feedback of similar circumstances. It doesn't however specifically advise that the issue relating to Miss W's car was a manufacturing issue that would have been present when the car was supplied to her.

I'm also not persuaded a conclusion can be reached, from their correspondence, that a systemic manufacturing issue exists which renders all vehicles of that model of unsatisfactory quality. For example, no data has been provided to say how many vehicles, of the exact model are affected with the exact same issue, in context of the number of vehicles of that model which have been manufactured. Although, having considered the information provided, I can acknowledge why Miss W would form a strong opinion about it following her research into the issues.

Miss W advised that the manufacturer had decided to repair the car and cover all the costs. I'm pleased to see Miss W has reached some degree of resolution for this issue, but I'm not

persuaded their decision to cover the costs of repair proves the car was supplied in a condition that wasn't of satisfactory quality.

All things considered I've seen no expert evidence which points to the issue being present when the vehicle was supplied to Miss W, and so from the information provided, I'm persuaded the car was of satisfactory quality when it was supplied to her.

As I've concluded that the car was of satisfactory quality at the point it was supplied, I don't require Alphaera to take any action in respect of this complaint.

My final decision

My final decision is that I don't uphold Miss W's complaint about BMW Financial Services (GB) Limited trading as Alphaera Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 29 August 2025.

Benjamin John
Ombudsman