

The complaint

Mr S has complained about the quality of a car he acquired using a finance agreement from BMW Financial Services(GB) Limited ('BMWFS').

What happened

In October 2022, Mr S entered into a finance agreement with BMWFS for a brand new car. Unfortunately, since then, it's needed repairs on four occasions. Each time, these were paid for under the warranty. These were:

- 15 January 2024 (with 12,788 miles on the clock): *"diagnosis, charge the battery, perform vehicle test, program/code unit(s), addl work after first termination while, addl work after second termination while and replace body domain controller"*;
- 16 February 2024 (with 13,743 miles on the clock): *"diagnosis of the vehicle; charge battery, perform vehicle test, remove and install left or right front door trim, remove and install both front door trim panels, remove and install left or right rear door trim, remove and install dashboard carrier, remove and install or replace carpet front passeng, remove and install or replace carpets on rear seat base, replace left or right rear door wiring harness, discharge evacuate add fill air condition, discharge, evacuating and filling air, remove and install or replace both motors for Fr electric windows regulator and remove and install or replace both motors for rear electric window regulator"*;
- 6 April 2024 (with 14,134 miles on the clock): *"diagnosis of the vehicle, charge the battery, perform a vehicle test, removing and installing/replacing door, removing and installing module carrier, remove and install left or right rear door trim, remove, and install or replace trim panel top left, remove, and install dashboard carrier, replace left or right Fr door wiring harness (trim panel) and discharge evacuate and fill air conditioning"*; and
- 17 June 2024 (16,046 miles on the clock): *"diagnosis, charge battery, perform vehicle test, replace body domain controller, program/code control unit(s) addl work after first termination while, addl work after second termination while"*.

Unhappy with the quality of the car, Mr S brought a complaint to our service. One of our investigators looked into what had happened. He was mindful that the car was brand new, so a reasonable expectation would be that it could be used – free from defects – for a considerable period of time. And, given the number of problems Mr S had experienced (most specifically, with the electrics), he didn't think the car was sufficiently durable.

Accordingly, he thought Mr S should be able to reject the car, and be refunded for the period he'd not driven it. He was also satisfied the matter had caused Mr S significant distress, and that £300 compensation would be appropriate to address this aspect of the complaint.

BMWFS disagreed. It feels that the issues didn't present themselves until around 15 months after the car had been supplied, so the onus was on Mr S to show the car wasn't of

satisfactory quality at the point of supply. And it didn't feel he had.

Mr S agreed with the outcome, but also asked if he could be reimbursed for a service carried out on 27 July 2024. He also asked if he could be refunded for the cost of his GAP insurance.

The complaint was then passed to me, and I issued a provisional decision. It said as follows.

I'm satisfied, on balance, that the car wasn't sufficiently durable. It was a brand new, high end car. There's no suggestion that Mr S hasn't maintained it properly. And his mileage is well within average parameters. So, for there to be four occasions where repairs were needed over a six-month period, when he'd only had the car for 15 months, persuades me that it was not of satisfactory quality at the point of supply, because it wasn't sufficiently durable.

Therefore, I agree that he should be allowed to reject it. This would mean it being collected, having his deposit refunded, and his credit file being updated.

I've also considered refunds of monthly repayments, for the times Mr S has been without the car as it was being repaired, or from when – as I understand it – he stopped driving it after the last repairs on 17 June 2024. For the avoidance of doubt, I think this was entirely justifiable. Mr S wanted and needed a reliable car, and reasonably no longer considered this car to be so.

I don't think Mr S was without the car, or alternative transport, for any significant period of time while it was being repaired. However, my understanding is that after 17 June 2024, he only drove it so it could be taken in for its service. This means, he should be refunded his full monthly repayments from that date. I would please ask him to provide our service with an odometer reading, to confirm this.

He should also be refunded for the cost of the service, given he has had no benefit of it. Further, Mr S is likely to be charged an admin fee for cancelling his motor insurance policy, or transferring it to another vehicle. This is typically in the region of £45. I would expect BMWFS to reimburse him for this, upon him providing proof of it being incurred. Similarly, I would ask Mr S to let me know if he has a cherished number plate, as that costs around £80 to transfer to another vehicle.

As regards GAP insurance, I'm not requiring that BMWFS pay him the cost of this. This is because he's had the benefit of it, because, had there been an accident – regardless of the quality of the car – Mr S would likely have had to indemnify BMWFS, so had the benefit of the policy being in place.

Finally, I've thought about the distress and inconvenience caused. I know this has been a very challenging time for Mr S, and I agree that a significant award of £300 is reasonable to address this aspect of the complaint.

Mr S agreed with my provisional decision, and provided an odometer reading, which I'm satisfied shows that he hasn't been driving the car. He also provided a copy of the service invoice dated 27 July 2024, for £344.20. He also explained that he had been without the car for periods when it was in the garage for repairs.

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.

Having done so, I see no reason to depart from my provisional decision. However, I had previously been unaware that Mr S had been without his car for significant periods of time while it was being repaired. So, it follows, he should also be reimbursed his monthly repayments for these times.

Putting things right

To put things right, BMW Financial Services(GB) Limited must:

- end the agreement with no further monthly repayments owing;
- collect the car at no cost to Mr S;
- refund his deposit/part-exchange contribution of £500, adding 8% simple interest a year, from the date of payment to the date of settlement;
- refund Mr S his monthly repayments (on a pro rata basis) for each period he was without his car while it was being repaired, adding 8% simple interest a year, from the date of each repayment to the date of settlement;
- refund Mr S his full monthly repayments (on a pro rata basis), from 17 June 2024 onwards, adding 8% simple interest a year, from the date of each repayment to the date of settlement;
- refund Mr S the £344.20 cost of the service from July 2024, adding 8% simple interest a year, from the date of payment to the date of settlement;
- reimburse the admin fee for transferring/cancelling his motor insurance, subject to proof of this fee being incurred;
- pay Mr S £300 for the distress and inconvenience caused; and
- remove any adverse information regarding the agreement from Mr S's credit file, and mark the agreement as settled.

My final decision

It's my final decision to uphold this complaint. I require BMW Financial Services(GB) Limited to take the actions set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 June 2025.

Elspeth Wood
Ombudsman