

The complaint

Mr G complains about some adverse information recorded with credit reference agencies by BMW Financial Services (GB) Limited trading as Alpheria Financial Services.

What happened

In July 2019, BMW accepted an application for a hire purchase agreement in Mr G's name, to acquire a used car. The agreement was signed electronically and the car was delivered to Mr G's home address by the dealer. As part of the delivery process, the dealer took a photograph of Mr G's driving licence. BMW say the licence passed a check by the dealer, to make sure it was legitimate.

A few months later, Mr G says he became aware of the agreement in his name. He says a fraudster had applied for a driving licence and the hire purchase agreement, using his personal details. He also said he found out that the car had been involved in an accident and was written off by an insurer. So, Mr G contacted the dealer and BMW to report his concerns.

BMW looked into what had happened, but didn't think the agreement was taken out fraudulently. In the meantime, Mr G refused to accept a settlement from the insurer. And after the involvement of a solicitor, BMW decided to no longer pursue Mr G for any outstanding balance due under the finance agreement.

Mr G remained unhappy and in January 2024 he complained to BMW about the adverse information on his credit report. He said BMW should remove it, as he didn't take out the borrowing with them.

In their final response to Mr G's complaint, BMW said Mr G was registered as the car's keeper and was aware of the accident and subsequent successful insurance claim. So, they couldn't see any signs that the agreement was put into place by a fraudster. Mr G didn't accept BMW's response and brought his complaint to our service.

One of our investigators looked into Mr G's case and found that BMW had treated Mr G fairly. He wasn't persuaded that a fraudster would use all of Mr G's personal details to apply for a driving licence, take out a car finance agreement and make an insurance claim. So, he said it was likely Mr G had given his authority for BMW to start the hire purchase agreement. And that it was fair for any missed payment information to remain on Mr G's credit file.

Mr G didn't agree with the investigator's findings and said he was living away from his home at the time of the application. He also said the evidence shows dealer delivered the car to a person much younger than him.

The investigator didn't change his conclusions and Mr G's complaint has now been passed to me 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.

Firstly, I'm very aware I've summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is at the heart of the matter here. Namely, did BMW treat Mr G fairly when the hire purchase agreement was put into place?

If there's something I've not mentioned, then I haven't ignored it. I've not commented on every individual detail. I've focussed on those that are central to me reaching what I think is the right outcome. This reflects the informal nature of our service as a free alternative to the courts.

This case is about a hire purchase agreement with BMW, which is in Mr G's name. This is a regulated financial product. As such, we are able to consider complaints about it. The application was completed online and signed electronically. Furthermore, the dealer was based a considerable distance from Mr G's home address. So, the car was delivered there by the dealer and the identification verification was completed at Mr G's home.

Mr G has provided us with documents to show he wasn't living at his home address at the time of the application and when the car was delivered. He's also shown where he was advised by a legal professional that attending his home address from July 2019 onwards, could have had a detrimental impact on his personal circumstances. So, I'm persuaded by what Mr G has explained, in that there was a very good reason why ought not to have been at his address when the car was delivered.

During his complaint, Mr G has told us about a medical condition which meant he couldn't drive when the hire purchase agreement was taken out. And he has provided a letter from his landlord, to say he hadn't been seen driving the car. However, I must also keep in mind that Mr G was still able to hold a driving license at the time of the application and while useful, the landlord's testimony may not account for the times Mr G wasn't with them.

Within his evidence, Mr G says the car was handed to a much younger person by the dealer on the delivery date. I've looked at BMW's records to see if what Mr G says can be supported. I can see there was a conversation between BMW and the dealer in November 2019, which talks about the car being used by a younger person. But, it seems this was after Mr G had reported his concerns to the dealer, rather than the dealer admitting they gave the car to someone else on delivery.

I've also thought about where Mr G says other accounts were opened fraudulently around the same time as the application with BMW. While I do not doubt what Mr G says, I haven't seen any letters or documents showing where that was the case. Additionally, I can see from BMW's records where the current account used for the Direct Debit mandate, was shown to be one used by Mr G.

Nonetheless, I accept where Mr G has taken things very seriously and referred his concerns to the police. So, I can see where he has asked the police to investigate matters. But, I cannot see where the police progressed that investigation, or where charges were brought against a third party.

BMW have sent us a copy of their notes about the driving license they say they verified when the car was delivered. I can see that the license contains a photograph of Mr G and his relevant personal details. The notes contain a stamp and a signature from the dealer to say

they confirmed that they gave the car to the person shown on the driving license.

Similarly, I'm aware that the insurer was able to get in contact with Mr G, after the car was written off in an accident in September 2019 and where he was involved in the handling of the resulting claim. I can also see where all correspondence from BMW was sent to Mr G's home address. I do of course acknowledge that Mr G says he wasn't living there at the time and relied on all mail being forwarded to him.

Having looked at BMW's records, I can see there were frequent calls made by a party using Mr G's name, to carry out various administration to the account. And there are other times, where Mr G has confirmed he spoke to BMW about the insurance claim.

At one point, I can see where BMW became suspicious that two different people had identified themselves as Mr G. But, I don't think the behaviour of each individual, or the tasks they were carrying out, are typical of a fraudster looking to avoid BMW or Mr G's attention.

I recognise that it isn't uncommon for an arrangement to exist whereby one party may use a car, but the finance to be in the name of someone else, like a partner or a family member. So, to support what Mr G says, I must be able to say that he didn't give his authority, or apparent authority for the agreement to have been taken out in his name.

We have asked Mr G if he knows of anyone who may have taken out the agreement using his personal details. Mr G says he isn't aware of a third party who may have been able to apply for a driving license, the hire purchase agreement and insurance cover in his name, without him knowing. Or, anyone who was able to access his home address, to intercept mail and take delivery of the car.

In all the circumstances, I'm not persuaded a fraudster used Mr G's personal and bank account details to take out the hire purchase agreement with BMW. I've placed more weight on BMW's evidence about the use of the driving licence in Mr G's name and the general correspondence Mr G has had with all parties involved. Having looked at all the evidence, I think Mr G was aware of the application and where it was being used to acquire the car.

Overall, I've thought about the start and the ending of the hire purchase agreement, the information available to Mr G and what happened when Mr G says he became aware of the agreement in his name. On balance, I'm persuaded that Mr G was aware of the hire purchase agreement and that it's likely he gave his authority, or apparent authority for BMW to start that agreement.

It then follows that I think it's fair and reasonable for BMW to hold Mr G responsible for the repayments due under the hire purchase agreement. And for them to accurately report any instances of missed payments with credit reference agencies.

That said, Mr G has explained that he hasn't ever banked the cheque given to him by the insurance company. This means those funds may still be available to him and it may be something he'd wish to explore with the insurer. Should Mr G receive those funds, it might enable him to pay down the outstanding balance of the hire purchase agreement with BMW and lead to a more favourable outlook on his credit file.

My final decision

My final decision is that I don't uphold Mr G's complaint.

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

Sam Wedderburn
Ombudsman