

The complaint

Mr B complains that BMW Financial Services (GB) Limited ("BMW") wrongly ended a car finance agreement. He wants BMW to reinstate the agreement.

What happened

In May 2024 Mr B entered into a hire purchase agreement with BMW. Under the terms of the agreement, which refinanced a previous agreement, Mr B was to make 24 monthly payments of £176.36, starting in June 2024.

Mr B had previously updated the bank details which BMW held under the previous agreement and believed that it would take payments by direct debit using those details. However, BMW was unable to collect payments, as direct debits were returned.

BMW wrote to Mr B on several occasions to tell him that payments were outstanding and asking him to get in touch to resolve matters. Mr B says that he tried to do so but was unable to make contact. On 18 September 2024 BMW issued a default notice. At that point, four monthly payments had been missed. On 16 December 2024 BMW issued a termination notice; it later instructed agents to repossess the car from Mr B.

Mr B complained to BMW and then referred the matter to this service. He said that the missing payments had been the result of an innocent mistake which was out of his control. He was willing and able to bring the account up to date. BMW noted however that the agreement had already been terminated and it was not prepared to reinstate it.

One of our investigators considered what had happened but did not recommend that Mr B's complaint be upheld. She said that BMW had sent arrears several letters, as well as formal Notices of Sums in Arrears and a Notice of Default before terminating the agreement in December 2024.

Mr B did not accept the investigator's assessment and asked that an ombudsman review the case.

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, however, I've reached the same conclusion as the investigator did, and for broadly the same reasons.

I accept that Mr B expected BMW to be able to take payments due under the new hire purchase agreement using the bank details he had provided. It is not clear whether it was not able to do so because of an error on its part, on his part or on the part of his bank.

Be that as it may, Mr B had agreed to make monthly payments and he did not do so. I believe he knew that he wasn't making payments, since BMW contacted him on numerous occasions to tell him that; and he would have been able to see from his bank statements that

no payments were being taken. BMW's letters outlined the urgency of the situation and explained that the car financed by the agreement might be at risk. Those letters also provided BMW's account details; Mr B could have arranged for payments to be made, even if he could not contact BMW directly.

The hire purchase agreement provided for BMW to repossess the car in certain circumstances, including where monthly payments had not been made. I believe those circumstances arose here and that BMW sent the necessary formal notices before ending the finance agreement.

I note that Mr B offered to pay the missing monthly instalments in order to have the agreement reinstated. However, he only did so after termination, and I think it was therefore reasonable of BMW to take the view that it would not reinstate the agreement.

In my view, BMW has not treated Mr B unfairly.

My final decision

For these reasons, my final decision is that I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 October 2025.

Mike Ingram

Ombudsman