

The complaint

Mr C complains that a new car he acquired through a hire purchase agreement financed by BMW Financial Services (GB) Limited trading as MINI Financial Services ('MINI') is of unsatisfactory quality.

What happened

In January 2024 Mr C took out a hire purchase agreement to cover the cost of a new car. The car cost £43,790.95 and Mr C made an advance payment of £5,000. The remaining balance was due to be repaid in 47 instalments of £554.87 followed by an optional final payment of £20,770.22.

The car's manufacturer (which I'll call M) offers a mobile application (app) with features including vehicle information and remote services. Mr C said that in late March 2024 the app stopped updating the vehicle's current location accurately. He said this limited his ability to track the car in real time and this posed a security concern in case of theft or unauthorised use.

Mr C contacted M's service centre for help. After some initial troubleshooting didn't resolve the issue, Mr C was advised to take the car to a service centre for further investigation. The electronic control unit (ECU) was reset twice. No fault could be found with the telematics.

In June 2024 Mr C complained to MINI, saying the app wasn't updating as shown in literature and videos. MINI didn't think the problem was due to a manufacturing fault and therefore rejected Mr C's complaint. Mr C didn't agree. In his view, the app is an integral feature of the car, and its functionality directly impacts the overall quality of the car.

Mr C contacted our service, where one of our investigators looked into what had happened. He concluded that the car had a fault and that attempts to repair it hadn't succeeded. For that reason, our investigator said the car wasn't of satisfactory quality at the time of supply and he recommended the complaint should be upheld. He said that MINI should allow Mr C to reject the car. And he set out how MINI should compensate Mr C for impaired use and the trouble and upset caused.

Mr C agreed with the investigator's findings, but MINI did not. They said the issues Mr C was experiencing related to the app rather than the car itself. They added that they'd been in touch with M's app team, who suggested that Mr C contact their technical team to review the issues. MINI asked for an ombudsman to consider the complaint – and it came to me.

I issued a provisional decision on 7 May 2025. In that I said:

"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'm inclined to reach a different outcome to that of our investigator. I'll explain why. In doing so I'm going to focus on what I think is the key issue and the crux of Mr C's complaint. This reflects the informal nature of our service."

The Consumer Rights Act 2015 (CRA) is relevant here. It says, amongst other things, that the trader, (in this case MINI), needs to make sure that goods are of satisfactory quality at the point of supply. When considering what amounts to satisfactory quality, the standard applied is that of a 'reasonable person'. In other words, what a reasonable person would consider satisfactory taking into account any description of the goods, the price and other relevant factors. In cases involving a car, I think it's likely that the relevant factors a court would take into account might include things like the age and mileage at the time of supply.

MINI supplied Mr C with a brand-new car with a purchase price of almost £44,000. I think it is fair to say that a reasonable person would expect the level of quality to be higher than a cheaper, more road worn vehicle. So, what I need to consider here is whether the car MINI supplied was of satisfactory quality at the time of supply.

For me to be persuaded that MINI may need to do something to put things right, I'll need to determine that there was a fault which made the car of unsatisfactory quality. Amongst other things, a measure of satisfactory quality is whether a car is reasonably durable or not.

Mr C said the problem with location updates started in late March 2024 and has been consistent since then. When he refreshes the app screen, the car's location doesn't update immediately to the current location, instead showing the departure location. He has sent us screen shots of M's app to illustrate the problem. Mr C said that all other features of the app work as expected, and there don't appear to be other problems with the car.

Mr C has provided some screenshots showing the location of the car. But this doesn't confirm whether there is an issue with the app or whether the issue is caused by network coverage or the location that Mr C is in.

Crucially, from what I've seen it appears that the car's location does eventually update. In other words, the location tracking works, albeit with a delay. Mr C took the car to one of M's service centres for diagnostics, which didn't show any technical or mechanical faults with the car. And Mr C hasn't provided any supporting independent information such as an engineer's report or independent report to dispute otherwise.

Mr C said location tracking was a material factor in buying the car. And I've noted his comments about his insurance being linked to being able to track the car. I've considered the information M makes available about the app on its website. The literature about the app's functionality explains that remote service features are dependent on compatibility with certain smart phones and rely on good mobile signal coverage. In the 'frequently asked questions' section, it states:

"The availability and range of functions of Remote Services may vary depending on the country, the model and the equipment of your MINI."

The car uses an in-built SIM to transmit data. If the car is in an area with poor mobile reception the app may not receive real-time updates. The terms and conditions published on M's website say, in section 4.4:

"The Services are therefore in some cases spatially limited to the reception and transmission of the radio stations for the respective network. The Services can therefore also be affected by physical hindrances, in particular by atmospheric conditions, topographical features, the position of the Vehicle and obstacles such as bridges and buildings."

So, Mr C would have been on notice that the app's functionality is dependent on external factors, and he could have taken additional measures to ensure he could track the car.

Mr C told us about the frustration he felt trying to resolve the issue with M and later with MINI. Having looked at the correspondence and the timeline Mr C helpfully provided, it appears that most of the contact was with M or M's app team. It would undoubtedly have been frustrating to be asked to repeat things he'd already tried to fix the problem. And Mr C has said he didn't feel listened to. Our investigator recommended MINI pay Mr C £200 for the upset caused.

But I've got to bear in mind here that in the main, these conversations were with M, who are a separate entity. And so, I can't fairly hold MINI responsible here or say they ought to compensate Mr C.

In summary, I'm not currently persuaded that there is a fault with the car that makes it unsatisfactory under the CRA. It follows that I'm not inclined to uphold this complaint."

MINI accepted my provisional decision. Mr C did not. I've summarised what I consider to be his key points below:

- The app is marketed as an integrated feature of the vehicle,
- Two telematics ECU resets were carried out, which in his view confirms a recognised issue,
- MINI had a chance to repair the car, and as this failed, he now ought to be allowed to reject the car,
- MINI's own product literature doesn't adequately warn that location tracking may routinely fail due to insufficient signal coverage,
- The real-time tracking feature is essential for vehicle security and insurance purposes. Its failure renders it unfit for purpose under the CRA.

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've decided not to uphold Mr C's complaint.

Mr C sent a substantial amount of information and arguments in response to the provisional decision. I'm aware that I've summarised his response in rather less detail than he provided. I'd like to assure him that I have read and considered everything carefully. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this.

Having read through Mr C's submissions in full I'm not persuaded that he's provided any new evidence and so my findings remain unchanged to those set out in my provisional decision. I understand Mr C feels strongly that the app is an integral part of the car and, as it's not working as expected, the car isn't of satisfactory quality. He said both MINI and M acknowledged that the app was updating the car's location with a delay. But importantly, they haven't found a fault with the car or the app. And Mr C hasn't provided evidence to the contrary.

Mr C said that the onus is on MINI to show that the car was of satisfactory quality at the time of supply – and not for him to show otherwise. This isn't quite right. The CRA says, in section 19:

(14) For the purposes of subsections (3)(b) and (c) and (4), goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer must be taken not to have conformed to it on that day.

(15) Subsection (14) does not apply if

(a) it is established that the goods did conform to the contract on that day, or

(b) its application is incompatible with the nature of the goods or with how they fail to conform to the contract.

In this case, the investigations carried out by M haven't found a fault with the car. If Mr C believes otherwise, it's for him to provide evidence to that effect. Based on everything I've seen I can't rule out that the problem Mr C is experiencing is caused by external factors. I'm not persuaded that any attempts to reset the ECU are sufficient evidence of a fault that renders the car of unsatisfactory quality. So, I can't safely reach a finding that the car MINI supplied wasn't of satisfactory quality at the time of supply.

Even if I were persuaded that the app is faulty, it wouldn't lead me to conclude the car MINI supplied wasn't of satisfactory quality. As explained in my provisional decision, when considering satisfactory quality, the standard is that of what a reasonable person would expect. The information M makes available about the app clearly sets out that there are external factors that impact the app's functionality. These include location, signal strength and the model (and thus the operating system) of the user's phone. In all the circumstances, I'm satisfied that a reasonable person would accept that the app's functionality may vary, and some features may not always be available. In other words, I don't think that the vehicle location service not working as expected renders the car of unsatisfactory quality.

It's apparent from Mr C's response to my provisional decision that he's had a different expectation of the app's functionality. He said the location feature was a security-critical function and that a delay in the live tracking defeats that purpose. It's important to be clear here that M doesn't market the location service as a real-time tracker. The information I've seen on M's website makes it clear that the vehicle finder allows users to view the last parked location of their car – not track it whilst in motion.

Furthermore, the app doesn't alert Mr C to when the car starts to move, which is what an actual tracking device or service that is used for insurance purposes/anti-theft measures does. Those devices or services alert the owner to the vehicle moving if it has been stolen and this again is a different feature or intention of the app Mr C has with the car. It would be unreasonable therefore to expect the app to perform in the same way as a security tracking app or device that typically incurs an installation and monitor charge for the user. It would also be unreasonable to use the app for a purpose for which it was not intended.

Mr C has sent links to online customer reviews to evidence that there's a broader issue with the app's functionality and poor customer support. However, the number of reviews is very low compared to the number of vehicles sold by the specific manufacturer. As with most suppliers of goods or services, there are clearly some unhappy customers who over the years have had different issues with their specific vehicles or customer experience with the manufacturer or dealer network. But the reviews don't, in my view, demonstrate a broader

system issue with the app's vehicle location service as Mr C suggests. Even if there was a wider issue, I'm required to consider each complaint on its individual merits. Having done so, and for the reasons I've set out above, I'm satisfied that in this case the car was of a satisfactory quality when it was supplied to him. It follows that I don't uphold Mr C's complaint.

I remind Mr C that my decision here is the final stage in our process. Should he wish to continue his dispute with MINI, he will need to do so through alternative means, such as court.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 July 2025.

Anja Gill
Ombudsman