

## The complaint

Mr C complains about a car supplied under a hire purchase agreement, provided by BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services ('BMWFS').

## What happened

Around July 2024 Mr C acquired a used car under a hire purchase agreement with BMWFS. The car is listed with a cash price of £20,790, was approaching four years old and had covered around 39,311 miles. Mr C paid no deposit.

Unfortunately, Mr C says the car developed issues. He said he reported a knocking noise to the supplying dealer towards the beginning of August 2024. He said a local mechanic found issues with a shock absorber and an engine mount. Mr C then says he noticed the alloy wheels were starting to 'peel'.

Mr C then said the dealer explained there was an issue with a car he had 'part exchanged' and he explained it asked him to unwind the agreement and take his old car back.

Mr C then says the dealer offered to collect the car to repair it, but he thought the dealer might take the car and not give it back to him.

Mr C says the repair was then carried out at a local garage. But he said afterwards he noticed a different knocking noise. He said the local mechanic then found excessive play on the front suspension bushing, excessive play on the front brake pads and an oil leak.

Mr C then said he told the dealer about the issues. He then let the MOT run out and parked the car up, as he was not willing to get the repairs done at his own expense and thought the car would fail the MOT. He said he hasn't driven the car since 25 October 2024.

Mr C complained to BMWFS and asked to reject the car. At the start of January 2025, it sent him a letter explaining it was still looking into things and gave referral rights to our service.

Mr C referred the complaint to our service. He reiterated the points above and explained he'd also paid for a repair to the engine mount.

An investigator then issued a view and upheld the complaint. In summary, he said he thought Mr C had shown the car had faults which were likely present or developing at the point of supply. He said repairs were completed at no cost to Mr C, but then he'd provided evidence of further issues.

Our investigator said this meant Mr C had the right to reject the car. He said BMWFS should reimburse payments made past 25 October 2024 as Mr C explained he stopped using the car. And he said it should pay him £250 to reflect what happened. Our investigator also said BMWFS should reimburse Mr C for a repair to the engine mount, if he provided evidence he paid for this.

Mr C agreed to the view. He explained he couldn't find the invoice for the engine mount but

was not concerned about this being reimbursed given the overall outcome.

In June 2025 BMWFS sent some information from the dealer about the agreement. In summary, this said it had concerns that Mr C hadn't given it details of outstanding finance on a car he part exchanged. The dealer also asked for an independent report to be carried out on Mr C's car.

Our investigator explained what the dealer said didn't affect their opinion about the quality of the car.

BMWFS then sent further comments from the dealer. These said, in summary, that it thought Mr C acted unreasonably by arranging the initial repair himself. It said this meant it hadn't had the chance to look at the car. It questioned the quality of the repairs carried out. And it again mentioned issues with the part exchange carried out when Mr C acquired this car.

BMWFS also said Mr C explained the car had failed an MOT, but there was no evidence of this.

At the end of September 2025, BMWFS said it thought it would be beneficial to arrange an independent inspection of the car. And it provided a copy of a preparation checklist from the dealer.

An investigator explained BMWFS could arrange an inspection if it wished but said what it had provided didn't change their opinion.

BMWFS was unhappy with this. It said, in summary, that Mr C should've taken the car to the supplying dealer when it went wrong. And it said there was no evidence of faults after the initial repair.

Mr C then explained the dealer had taxed the car under the incorrect 'bracket' and he had been fined for this.

Another investigator then issued a further view on the case. This said, in summary, that the fact Mr C didn't get the initial repairs carried out at the dealer didn't change the outcome of the case. She said BMWFS had been provided with evidence of faults after this initial repair, and these didn't appear to be linked to the previous issues.

Our investigator explained BMWFS had months to arrange an independent report if it wished to do so, and at that point in time the car had been sat unused for around a year, so she said this would now unlikely be reflective of the quality of the car at the time of the fault. She also explained Mr C said he didn't get an MOT carried out on the car.

The investigator explained she still thought the complaint should be upheld and the car rejected.

BMWFS remained unhappy. It reiterated the points it previously made.

As BMWFS remained unhappy, the complaint was passed to me to decide. I emailed BMWFS and explained I had seen an email from it to the broker, where it acknowledged it thought the complaint should be upheld and the car rejected. So, I asked it if it would settle the complaint without the need for a final decision under the circumstances.

BMWFS responded and said this was sent before it was aware of the full facts of the complaint. And it reiterated the previous points it raised.

## 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 think this complaint should be upheld. I'll explain why.

Firstly, I'd like to explain to both parties that I might not comment on every point raised or every single piece of evidence. I want to reassure Mr C and BMWFS that I've carefully considered all of the available information. But I'm going to focus my decision on what I consider to be the key facts and the crux of the complaint. This reflects the informal nature of our service.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – BMWFS here – needed to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description. The CRA also sets out that the durability of goods can be considered as part of satisfactory quality.

In this case I'll consider that the car was used. So, I don't think a reasonable person would have the same expectations as for a new one. But it was under four years old, had covered under 40,000 miles and cost nearly £21,000. This means I still think they would expect it to have been in good condition, free from anything other than minor faults and would expect trouble free motoring for some time.

What I need to consider in this case is whether I think Mr C's car was of satisfactory quality or not.

I've seen a quote for the initial repairs from the third-party garage. This was dated 13 August 2024. No mileage was recorded.

This said:

*"Diagnose cause for knocking noise - Found to be nearside front shock absorber worn and top mount damaged due to the failed shock.*

*Replace nearside front shock absorber and top mount"*

From this, I'm satisfied this shows Mr C's car had faults with it the month after it was supplied. I find the timing here means these were most likely present or developing at the point of supply. And I find this means the car was not of satisfactory quality.

BMWFS pointed out that a checklist from the dealer prior to this noted no issues. But this doesn't contain a lot of detail, only ticks in boxes, and so I'm more persuaded by the evidence above.

It's worth noting that it appears repairs were carried out, and the cost was reimbursed to Mr C. A repair was a remedy under the CRA at the time, and so I'm satisfied his rights were, broadly, met at this point.

I've then seen a further invoice from a garage dated 17 October 2024. No mileage is

recorded.

This said:

*“- Knocking from N/S front lower suspension bush with excessive play, requires replacement*

*- Oil leaking from sump and leaking onto lower engine mount causing the rubber bush to deteriorate/crack, requires sump to be dropped, opened and resealed and lower engine mount to be replaced.*

*- Play in front brake pads, causing a creaking noise when braking.”*

This was just over two months past the initial issues being noted and around three months after Mr C got the car. I'm less confident these faults would've been present at the point of supply given the timings. But I don't think a reasonable person would've expected the car to need these repairs so soon after Mr C got it in any event, so I find the car wasn't durable due to these faults. Either way, this means I also think the car was not of satisfactory quality due to these issues.

Mr C has explained these repairs were not carried out, and the car wasn't driven past 25 October 2024.

I've then considered what would be reasonable to put things right. The CRA explains that if the car was not of satisfactory quality following a repair, Mr C would have the final right to reject it. Our investigator explained they thought this meant Mr C had a right to reject the car. BMWFS strongly disagreed, so I've considered the points it made here.

BMWFS said, in summary, that Mr C should've had the initial repair carried out at the dealer. It said this meant a repair hadn't taken place in the context I set out above. I've thought about this, but I think Mr C acted reasonably under the circumstances. And it's important to note it appears the dealer agreed with this at the time.

I've seen a message from Mr C's phone that appears to be from the dealer. This said, *“Hi mate get the repair done and send us the invoice and we will reimburse you the full amount”*.

So, I find the initial repair *does* mean Mr C has the final right to reject. I also pointed out to BMWFS that it explained this itself in an email to the broker when it was investigating the complaint:

*“That these repairs were then paid for does count as the dealership's opportunity to repair, regardless of whether they conducted the repairs themselves or not.”*

BMWFS said the initial repair may not have been carried out properly. But it provided no evidence to show this. So, this doesn't change my opinion.

BMWFS also said Mr C explained the car failed an MOT around the time of this second diagnostic, but this wasn't recorded on the car's history and so said Mr C's testimony wasn't reliable. But this isn't what Mr C told our service; he explained an MOT *wasn't* carried out following the faults being identified as he didn't think the car would pass. This would explain why there is no record. And so, what BMWFS said here doesn't change my opinion.

BMWFS also said it wasn't reasonable that it didn't get to do an independent inspection as it wished. Firstly, I would politely point out that if BMWFS thought this would be useful, it might have been prudent to arrange this when it investigated the complaint, rather than months later after our service had already upheld it.

In any event, BMWFS said the inspection was not agreed to. I've assumed from what it explained here it meant this was declined by our service, however the investigator checked with Mr C that he was happy for this to be done and said to BMWFS at the time:

*“As for an independent inspection, both the previous investigator and myself believe there is enough information and evidence to support the complaint already. However, if you wish for an inspection to be carried out, you can arrange this.”*

So, I don't agree BMWFS couldn't have done this anyway. At this point, I need to make a decision based on the evidence I have. I'm satisfied there is enough evidence to show the faults without a report, so this doesn't change my opinion.

In summary, I find the car was not of satisfactory quality due to the faults found in August 2024. I'm satisfied a repair was carried out at no cost to Mr C. But then I'm satisfied the faults identified in October 2024 also meant the car was not of satisfactory quality. And while I've noted BMWFS' concerns, I find this meant Mr C had the final right to reject at the time, which he exercised. Given the car hasn't been driven, I find it would be reasonable for the car to now be rejected.

I've then considered what else needs to be done to put things right.

Mr C has explained the car hasn't been driven since 25 October 2024. This was very shortly before I can see the MOT expired, which I think backs up Mr C's version of events. So, I find BMWFS should reimburse all payments past this point.

I have considered if Mr C had impaired use of the car while he was driving it. But, beyond a knocking noise, I've not seen evidence of this. So, I find BMWFS can retain the payments made before this time.

I agree with our investigators that Mr C has been caused distress and inconvenience. He had to arrange repairs, and I think it must have been stressful to realise the car still had issues. I find BMWFS should pay him £250 to reflect this.

I have also noted Mr C raised issues with the alloy wheels. But, I have limited information here, and ultimately this wouldn't affect the outcome nor redress. So, I don't need to make any findings on this point.

I've considered what the dealer said in this case about the alleged issues with the 'part exchange' carried out at the time. But I can't see this formed part of the finance agreement. I think it's most likely this was a separate sale rather than a part exchange. So, I don't think this falls under what BMWFS are responsible for, and this would appear to be a matter to be resolved between Mr C and the dealer.

Similarly, I've considered what Mr C said about the dealer taxing the car incorrectly. But I don't think BMWFS are responsible for this. So, I won't comment further on this issue.

Finally, I want to reassure BMWFS that I've carefully considered everything else it said in relation to this complaint. But this doesn't change my opinion.

### **My final decision**

My final decision is that I uphold this complaint. I instruct BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services to put things right by doing the following:

- end the finance agreement ensuring Mr C is not liable for monthly rentals after the

point of collection (it should refund them any overpayment for these if applicable);

- take the car back (if that has not been done already) without charging for collection;
- Reimburse all payments to the agreement post 25 October 2024\*;
- Pay Mr C £250 to reflect the distress and inconvenience caused and;
- Remove any negative information from Mr C's credit file in relation to this agreement

\*These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If BMWFS considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue and Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 January 2026.

John Bower  
**Ombudsman**