

The complaint

Mr C complains that the car he acquired financed through a hire purchase agreement with BMW Financial Services (GB) Limited ("BMWFS") wasn't of satisfactory quality.

Mr C is represented in this complaint. However, for the sake of simplicity in this decision I have referred to all of the submissions from Mr C's representative as being made by Mr C.

What happened

In September 2021 Mr C acquired a new seven seater car financed through a hire purchase agreement with BMWFS. Mr C said that within the first month he started to experience faults with the car and subsequently experience many issues. When the car went in for repair he wasn't always given a like for like car. Mr C required a seven seater car for his family of seven. He raised a complaint with BMWFS.

BMWFS was unable to respond to the complaint within eight weeks so Mr C brought the complaint to our service. He said following many complaints both directly to the dealership and via the BMWFS escalation team he decided enough was enough and stopped paying for the car. He said he made it very clear that he wanted to try and resolve the ongoing issues but no-one from either the dealership or escalations team replied, despite chasing.

While the complaint was with our service BMWFS issued its final response. It said as the car had been repaired and returned it wouldn't accept rejection at this stage. It acknowledged the delays and need for repeated repairs and offered a goodwill payment of £400.

Our investigator concluded that the car wasn't sufficiently durable and so wasn't of satisfactory quality when supplied. BMWFS didn't agree and asked for a decision from an ombudsman. It made some additional comments to which I have responded below where appropriate.

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 agree with the conclusions reached by the investigator for the reasons I've outlined below.

I trust Mr C won't take it as a discourtesy that I've condensed the complaint in the way I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr C's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

BMWFS, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr C. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was brand new when supplied and had a price of £78,450.44.

Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. Mr C was supplied with a new car so I would expect it to be free from even minor faults for some time.

I'm satisfied there was a fault(s) with the car. And this hasn't been disputed by BMWFS as it has acknowledged that repairs have been carried out and it has offered a good will payment for the delays. I'm also persuaded there have been more recent faults while the complaint has been with this service.

Mr C first complained to BMWFS in January 2023. He listed several faults and said the car had had to be repaired by the supplying dealership around 15 times. BMWFS has said Mr C was previously given the option to reject the vehicle, which was declined in favour of an extended warranty and refund of payments. It said it considers the issues present to have been addressed previously – and that Mr C confirmed that it had been agreed that any new issues would be dealt with under the new warranty.

While I accept BMWFS extended the warranty as an outcome of the first complaint and there may have been new issues that have appeared and been covered under warranty. But I don't agree that these recent issues are new problems. Mr C has reported that the leak from December 2022 has reappeared. I've seen emails between Mr C and the dealership, D, in December 2024:

D: "Just wanted to confirm what we are looking at with the car, to make sure I have all the info. The leak, same as last time coming through the roof area and dripping down onto the driver and seats? Is there anything else that needs looking at?"

Mr C: "Yes it was coming in from the same point as last time (around the mic vent above the drivers head), the wetness extended all the way to the middle of the roof lining where the rear view mirror is, across to the driver's window and all down the driver's side pillar. The driver's seat was super soaked. You are defo going to need to replace the roof lining / pillar as before and would suggest check the seats electrics will be ok with three days worth of water dripping in, and will defo need a dehumidify as the windows now all steam up very quick."

Mr C has also reported that the electric seat mechanism has failed again; a problem that had been reported before January 2023 but reoccurred in February 2024, September 2024 and, for the sixth time, in March 2025. I've seen an email exchange between the dealer and Mr C in March 2025:

"Yet again, the electric seat mechanism on the car has failed, leaving the seats stuck in the folded position. Yet again...I could not get all of the children back in the car. Worryingly, we were also unable to move the seats using the emergency manual strap to be used in the case of electrical failure. This is the SIXTH time that we have had this issue..."

D replied:

"Sorry to read your email and see you're having issues again. I can arrange a booking, and collecting your car...we do now have an X7 I can loan you. It is booked up so we are looking at April for a booking, are there any dates that don't suit you?"

The dealership has attempted repair several times yet the same problems reappear which suggests to me they were present or developing at the point of delivery.

Mr C bought a brand new car which cost over £78,000. It's fair to say this is a premium car. As I mentioned above I would expect a new car to be free from even minor faults for a reasonable time. But this car has been returned to the dealer more than 20 times and repairs have repeatedly failed. I'm persuaded the car wasn't sufficiently durable and so wasn't of satisfactory quality, and that Mr C should be allowed to reject it.

BMWFS has said the issues that have presented themselves since the previous complaint are minor, not manufacturing defects or issues that would suggest the vehicle is not durable. It said that Mr C has driven over 50,000 miles, which is in excess of the total mileage allowed under the agreement. It asked how this had been factored into our investigator's opinion. It asked how driving 50,000 miles in the period of ownership be considered impaired usage.

I don't agree with BMFS that the issues are minor. Mr C bought a new and expensive seven seater car, specifically intended to transport his family of seven. This means that the repeated issue related to the seat mechanism has frequently prevented him from using the car as intended and is unreliable. Nor do I think the leak in the roof is minor. I accept that Mr C has had fair usage of the car with respect to miles travelled but this usage has been impaired by many repairs (in excess of 20 visits) which has affected his ability to reliably transport his whole family and reduced his enjoyment of his new car.

Putting things right

Mr C has said he's had use of a courtesy from BMWFS each time the car was in for repairs so it wouldn't be fair to refund payments made under the agreement as he was kept mobile. But he has said the courtesy cars provided weren't always like for like which was a problem when he needed to transport his whole family. I can see this has caused Mr C distress and inconvenience, especially as he has two disabled children. I agree with the investigator's assessment that it would be fair for BMWFS to refund him 5% of his monthly repayments from October 2024 until settlement to reflect loss of enjoyment and family use.

Mr C told this service that he had to get a hire car for the most recent repair in April which cost him £105. And I noted on the email from the dealership that the seven seater car wasn't available. I agree this should be refunded.

To put things right BMWFS must:

- Cancel the agreement (if it hasn't already terminated) with nothing further to pay (except for arrears payments)
- Collect the car at no cost to Mr C, unless it has done so already
- Refund Mr C's deposit of £7,313.90
- Refund 5% of repayments from October 2024 when the complaint was raised with BMWFS
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement
- Remove any adverse information from Mr C's credit file in relation to the agreement

- and any late/missed payment including any defaults
- Pay Mr C £400 in compensation it already offered (unless it has done so already).

If Mr C is still in arrears he may wish to discuss offsetting the arrears against the refunds above with BMWFS.

My final decision

My final decision is I uphold this complaint and BMW Financial Services (GB) Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 October 2025.

Maxine Sutton
Ombudsman