

The complaint

Mr F complains about his liability in relation to a hire purchase agreement taken out with BMW Financial Services (GB) Limited trading as ALPHERA Financial Services (Alphera).

What happened

In August 2023, a used vehicle costing £35,500 was purchased and financed through a hire purchase agreement taken out with Alphera. The customer named on the agreement was Mr F and it was to run for 60 months with monthly repayments of £761.11. Payments towards the agreement began in September 2023.

In March 2024, Mr F contacted Alphera to say he had been a victim of identity theft, and he did not purchase the vehicle or take out this agreement. He said a friend of his flat mate (who I'll call X) had stayed with him for a short period of time and asked for assistance in taking out a loan for a car, but Mr F had declined to help. He says X had taken his personal information and used it to purchase the vehicle and obtain the agreement without his knowledge or consent.

Mr F had made three payments towards the agreement before cancelling the direct debit. Alphera subsequently requested payment towards the agreement before placing it into default and attempting recovery of the vehicle. Mr F also raised his concerns to the police. As I understand it, neither Alphera nor the police have managed to recover the vehicle.

Alphera, on review of Mr F's concerns said that it had attempted to contact the police to obtain an update on the outcome of its investigation. Alphera said it needs to allow the police time to complete their investigation as a criminal complaint has been raised. It said it could not hold a complaint open indefinitely and is reliant on the outcome of the police investigation, so the complaint was closed until the police had any further updates. Mr F was given referral rights to our service.

Mr F subsequently brought his complaint to our service. Our investigator looked into the complaint. He said due to the level of information supplied during the application process, he thought Mr F had knowledge of the vehicle and corresponding hire purchase agreement being taken out. Our investigator concluded Mr F had provided his authority and consent for the agreement to be taken out. So, the investigator didn't find that Alphera had done anything wrong in holding Mr F responsible for the agreement.

Unhappy with this outcome, Mr F asked for an Ombudsman to consider his complaint. He asked our investigator for further information and clarification which was duly provided. Mr F also re-iterated that he was the victim and was misled or was not aware of what was going on. So, the complaint has now been passed to me to decide.

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.

I would like to start by saying that I have provided a brief summary of the events that occurred. I intend no courtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

In this complaint, I am required to determine whether Mr F had knowledge or had given his authority for the agreement to be taken out in his name. I will consider whether the purchase of the vehicle and the corresponding agreement were taken out entirely without his knowledge such that the agreement is unfair and he should not be held liable for the amount owed under it.

Mr F has told us and the police that X came to stay at his property for some time and had asked him to assist in taking out a car as Mr F had a good credit rating and X did not. Mr F says he had not agreed to assist in taking out the car; however he did pass on some personal information when asked.

Alphera has said that when the agreement was applied for, it requested copies of bank statements, Mr F's passport and his driving license. Mr F also had to provide a selfie as part of the verification process.

When asked about this, Mr F said he likely has documents such as bank statements, copies of driving licenses and passports of all the friends he travels with. He further said it would not be difficult to take selfies of someone if you live with them.

Although I understand how a friend may have a copy of the passport when you travel together, I don't find it likely that friends would also have access to a driving license or bank statements. These are not documents that would be required for travelling or would be easily accessible to a third party. I accept that someone who lives at your property might be able to gain access to these documents, however Mr F uses a bank which is entirely paperless. Statements can only be accessed through the application or online banking and so I think this is information that would be more difficult for someone to access without the account holders' knowledge.

Following the agreement having been granted, Mr F accompanied X to collect the vehicle from the dealership. He says he thought they were going on a trip together to collect the vehicle. Although friends collecting a vehicle together is not uncommon, I find it unlikely that Mr F would not have heard or seen anything during the collection process that would have indicated to him that this was a vehicle he was taking out.

Mr F made three payments towards the agreement before payments were stopped. Mr F was also required to collect the vehicle when it had been seized by the police in October 2023 due to a lack of insurance which was recognised following a road traffic accident. Mr F contacted Alphera by email at this time to say he is the registered keeper of the vehicle, and it had been seized. One of the three payments made towards the agreement was made around a month after Mr F sent this email to Alphera.

Mr F has told us that being asked to attend the vehicle release is what made him suspicious that all may not be as it seems. Mr F's testimony around this indicates he didn't understand that something illegal might have happened and not wanting to get either X or himself into trouble. He said he was pressured in to getting the car back and promised everything would be fixed. Mr F confirmed he emailed Alphera at that time to let it know the vehicle had been

seized and ask for assistance.

There is some suggestion from Mr F that he was asked by X to act as a guarantor on the agreement, but he refused. Without the possibility of his behaviour being in relation to acting in a guarantor capacity, I find there to be no suitable explanation as to how all of the above could have occurred without Mr F's knowledge or authority. Even if it were due to a lack of understanding that he was being taken advantage of, and then fear of the consequences, there is much to indicate he would or should have known. This includes, the level of information provided to Alphera for the agreement to be approved, his presence at the vehicle collection, the email to say the vehicle was his, and payments going out of his account. I therefore do not find there is sufficient evidence to conclude that Mr F had no knowledge of or did not provide authority for the hire purchase agreement to be taken out.

Having taken all the information and evidence into account, I find that Alphera has not treated Mr F unfairly in holding him responsible for the hire purchase agreement. It follows that I will not be asking Alphera to take any further steps to settle Mr F's complaint.

I appreciate that in the circumstances, Mr F is liable for the debt, and the vehicle is also not in his possession. I am also conscious of what he has told us about his circumstances. I would like to take this opportunity to remind Alphera to treat Mr F with due consideration and appropriate forbearance when handling his debt.

My final decision

My final decision is that I do not uphold Mr F's complaint against BMW Financial Services (GB) Limited trading as ALPHERA Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 30 December 2025.

Vanisha Patel
Ombudsman