

Complaint

Mr H is unhappy that BMW Financial Services (GB) Limited ("BMW FS") paid his broker commission for arranging a hire-purchase agreement to facilitate his purchase of a car. He says that any commission was not disclosed to him and paid without his consent.

Background

In June 2017, Mr H purchased a used car. The 'cash-price' of the vehicle was £40,891.00. Mr H paid a deposit of £2,500.00 and the remaining £38,391.00 was financed by a hire-purchase agreement which he entered into with BMW FS.

Under the terms of the agreement, Mr H had to pay 47 monthly payments of £526.50. And if he wished to keep the vehicle a final payment of £17,991.36. Mr H had to pay £4,344.86 in interest (and a £1 option to purchase fee) and all of this meant that the APR for the agreement was 3.9%.

In around February 2024, Mr H complained that BMW FS paid his credit broker, which also happened to be the motor dealer he purchased his vehicle from, commission for introducing him and arranging his hire-purchase agreement. Mr H, in effect, said that this commission wasn't disclosed and that this failure to disclose was contrary to BMW FS's regulatory and legal obligations.

BMW FS didn't uphold Mr H's complaint. It said that it believed Mr H had complained too late. As Mr H remained dissatisfied, he referred the matter to our service.

When responding to our request for its file on Mr H's complaint, BMW FS reiterated its belief that that Mr H had complained too late. Mr H's complaint was subsequently considered by one of our investigators. She believed that Mr H had complained in time.

BMW FS disagreed with our investigator and requested that an ombudsman consider the matter.

My provisional decision of 25 June 2025

I issued a provisional decision – on 25 June 2025 - setting out why I wasn't intending to uphold Mr H's complaint.

In summary, I was satisfied that this was because irrespective of whether Mr H had complained in time, it was clear BMW FS didn't pay any commission to the motor dealer that introduced him. So there was no undisclosed commission paid without Mr H's consent in this case and BMW FS hadn't acted unfairly in the way that Mr H had said.

The parties' responses to my provisional decision

Neither Mr H nor BMW FS responded to my provisional decision or asked for any additional time in order to do so.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Time Limits

There are time limits for referring a complaint to the Financial Ombudsman Service. BMW FS has argued that Mr H's complaint was made too late because he complained more than six years after its decision to provide the finance (and would have paid any commission) as well as more than three years after Mr H ought reasonably to have been aware of his cause to make this complaint. Our investigator explained why she considered Mr H's complaint had been made in time.

Having carefully considered everything, including the events since my provisional decision, I'm not upholding Mr H's complaint. Given the reasons for this, I'm satisfied that whether Mr H's complaint was made in time or not has no impact on that outcome. I acknowledge BMW FS may still disagree that we can look Mr H's complaint, but given the outcome I've reached, I do not consider it necessary for me to make any further comment, or reach any findings on these matters.

Why I'm not upholding Mr H's complaint

As I've explained, I don't think that BMW FS acted unfairly towards Mr H and so I'm not upholding his complaint. I'll explain why in a little more detail.

The information I've been provided with indicates that BMW FS didn't pay any commission to the broker for bringing about Mr H's hire-purchase agreement. I understand that Mr H purchased his vehicle during a period where BMW FS was operating a campaign with the motor dealer Mr H visited.

During this campaign, a campaign interest rate of 3.9% APR was applicable on all cars. All agreements written under this campaign resulted in no commission being paid to the introducing credit broker. So for Mr H's agreement there were no payments made to the broker at all.

I can understand why Mr H may feel a significant degree of scepticism at any assertion that BMW FS didn't pay the broker commission. After all BMW FS' final response to Mr H's complaint simply told him that he'd complained too late, rather than it didn't pay the broker any commission at the time and that this may have been what led to him deciding to refer this complaint.

That said, our service doesn't just accept, at face value, what a respondent firm says in relation to a complaint. Furthermore, the broker has provided a screenshot from its records on Mr H's sale. This shows that the vehicle it ordered for Mr H on 11 June 2017 and which had finance of £38,391.00 from BMW FS, saw no finance commission, volume bonus or subsidy paid.

I'm also mindful that the amount of the finance on the screenshot matches up with the amount on Mr H's hire-purchase agreement and it has an APR of 3.9%. I therefore have no reason to disbelieve or doubt the authenticity of the record provided, or the assertion that BMW FS paid no commission to Mr H's broker in this case.

In these circumstances, I consider it more likely than not that Mr H's sale took place at a time where a campaign was in place, which resulted in Mr H receiving a lower APR of 3.9% on

his hire-purchase agreement and the credit broker wasn't paid any commission for introducing Mr H to BMW FS.

So overall and having considered everything, I don't think that BMW FS did pay Mr H's broker commission and I'm not upholding this complaint. I appreciate that this will be disappointing for Mr H – especially as BMW FS didn't make its position clear from the outset. But I hope he'll understand the reasons for my decision and that he'll appreciate why I think BMW FS hasn't acted unfairly or unreasonably towards him in this instance.

My final decision

For the reasons I've explained above and in my provisional decision of 25 June 2025, I'm not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 August 2025.

Jeshen Narayanan
Ombudsman