

## **The complaint**

Miss T complains that the benefits of switching to an electric vehicle were misrepresented to her. Because the car was financed under a hire purchase agreement with BMW Financial Services (GB) Limited (which I'll call Alphera), she says that it is responsible and that it should agree to accept her rejection of the car.

## **What happened**

In September 2024 Miss T entered into a four-year hire purchase agreement for an electric vehicle. Its total price was £21,299; Miss T paid a deposit of £1,200 and borrowed the balance of the price under the hire purchase agreement. She was to pay £338.84 a month.

The vehicle was a replacement for a hybrid car which Miss T had taken on hire purchase around two years earlier. That agreement had two years to run, and the new agreement took into the first car's value and the balance owing on the earlier agreement.

Fairly soon after she took possession of the electric vehicle, Miss T took it back to the dealership. She said that she was having to charge it more often than she had anticipated. The dealership checked it and concluded that the battery was operating as it should. If it needed frequent charging, it said, that was most likely down to Miss T's driving style and other external factors. If Miss T decided that the vehicle was not suitable for her needs, it could offer alternatives, but none of these was acceptable to her.

Miss T complained that she had been misled by the dealership. She said it had told her that the electric vehicle would be a suitable replacement for her existing car. Specifically, she said that she was told it would cost less to charge than she had been paying for fuel and that she would enjoy savings in tax and the London congestion charge.

Miss T said that, far from costing less to run, the electric vehicle was costing her significantly more than her previous car. She says that charging costs are around £120 a week, partly because she lives in a flat and so has to use public charging points. Her insurance premium is significantly more than it was. And she now has to pay vehicle excise duty and will soon have to pay the London congestion charge.

Alphera did not accept Miss T's complaint, and Miss T referred it to this service, where one of our investigators considered what had happened. She was not persuaded that the electric vehicle had been misrepresented to Miss T. She commented as well that some of the issues which Miss T had raised were matters which she could have investigated herself before going ahead with the hire purchase agreement.

Miss T did not accept the investigator's view and asked that an ombudsman review the case.

## **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.

The investigator considered whether Alphaera had carried out appropriate affordability checks before agreeing to lend to Miss T, as well as whether the hire purchase agreement was sufficiently clear and not misleading. I don't believe they were matters about which Miss T made any direct complaint, but, for the avoidance of any doubt, I have reached the same conclusions as the investigator did about them.

Miss T's main complaint is rather that the dealership made representations about the car itself and that they were untrue. She says that she was told the running costs would be broadly similar to the costs of running her previous car.

Because the dealership was acting as a credit broker for Alphaera, Alphaera is responsible for any statements made by the dealership in connection with the hire purchase agreement. That includes statements made about the car – not just statements about the finance.

There is no evidence to corroborate what Miss T has said about the claims made by the dealership. The dealership does not accept that it made the statements she alleges. I have therefore decided what I think is more likely to have happened.

Miss T says that she was not told about the variable costs of using public chargers or the high costs of chargers near her home – and which she would have to use because she lives in a tower block. I don't believe however that there was any duty on the dealership to advise Miss T about these matters. I think it was for Miss T to check that, if she were to use an electric vehicle, what her realistic options were for charging it. She appears to be saying that charging costs are unusually high near her home, but I would not expect a dealership to know that. Miss T cannot reasonably have expected the dealership to advise on that either.

Miss T says too that the car's range does not meet her needs. That element of her complaint is of course linked to her complaint about the overall running costs. There is however no evidence of any fault with the car, and the dealership has suggested that any reduction in range may be the result of Miss T's driving style. I am not in a position to know whether that is the case, but I do not believe that I can fairly conclude that the vehicle is not capable of achieving its normal range.

When Miss T acquired the vehicle, electric vehicles were exempt from both vehicle excise duty (VED) and the London congestion charge. From 1 April 2025, however, electric vehicles do have to pay VED. From 25 December 2025 drivers of electric vehicles will be entitled to a 25% discount on the congestion charge. Both of those changes will affect Miss T. I do not however believe that I can fairly say that the dealership should have alerted her to the changes. I note that neither of them puts Miss T in a worse position than she would have been in if she had kept her hybrid car.

The dealership would have had no information about the insurance premium which Miss T would pay. Insurance costs depend not only on the car which is to be insured, but also on the driver and location. Miss T could have obtained quotes before completing the hire purchase agreement, as many drivers do.

I think it quite likely that the dealership did, as Miss T says, suggest that the car was a suitable replacement for her previous vehicle. But that is a largely subjective assessment. It does not mean that it will perform in the same way or – as is relevant here – that it will cost the same. I am not therefore persuaded that the vehicle or the finance agreement was misrepresented to Miss T.

**My final decision**

For these reasons, my final decision is that I do not uphold Miss T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 26 November 2025.

Mike Ingram  
**Ombudsman**