

## **The complaint**

Mr D complains that he was mis sold a vehicle that was supplied through a hire purchase agreement with BMW Financial Services (GB) Limited trading as ALPHERA Financial Services (Alphera).

## **What happened**

In April 2024, Mr D acquired a used car through a hire purchase agreement with Alphera. The car was about a year old and had travelled 8,510 miles when it was supplied. The cash price of the car was £143,000. A deposit of £13,000 is listed, so the total amount financed on the agreement was £130,000 payable over 47 monthly repayments of £2,007.13 with an optional final repayment of £74,118.47 if Mr D decided to purchase the vehicle.

Mr D said in January 2025, when he made arrangements to sell the car, he realised he had been supplied with a different model of vehicle to what he thought he'd acquired from Alphera. Mr D says the finance agreement he signed was for a different model of vehicle. Mr D said he's been mis sold the vehicle, so he wants to return the car and receive a refund of his deposit.

Alphera hadn't provided a final response to Mr D's complaint within eight weeks, so Mr D brought his complaint to our service where it was passed to one of our Investigators to look into.

The Investigator recommended that Mr D's complaint should be upheld. In summary, the Investigator concluded that as Mr D had signed an agreement for a particular model of vehicle which he didn't receive, he'd been mis-sold the vehicle. The Investigator recommended that Alphera should end the agreement, collect the car and refund the deposit paid along with a 10% refund on the monthly repayments made, to reflect the lower model of vehicle and £150 in compensation.

Mr D accepted the Investigator's assessment, however, Alphera didn't. They accepted the model of the car wasn't what was on the finance agreement but advised it was a clerical error. However, as the Investigator's opinion remained unchanged, the case has been referred to an ombudsman to reach a final decision.

## **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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Mr D complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr D's complaint about Alphaera.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

Mr D told us that he believes the vehicle was mis sold to him because it was presented as being a particular model of car, which I'll refer to as model X, however he later discovered when attempting to sell the car on, that he'd been supplied with a different model, which I'll refer to as model Y. Mr D provided copies of the vehicle offer sheet and the finance agreement all which state the vehicle was model X, however the vehicle summary document shows it to be a model Y.

Mr D said he entered into the agreement under the impression he was being supplied with a vehicle that was a model X, and had he realised it wasn't, he said he wouldn't have acquired the vehicle.

I would consider a misrepresentation to have taken place if Mr D was told a false statement of fact, that induced him into entering into the agreement when he otherwise would not have.

In an email to the Investigator dated 4 September 2025, Alphaera confirmed the vehicle Mr D acquired was model Y. So, I don't consider that this is in dispute by either party.

On the finance agreement which was signed by Mr D the model of vehicle was recorded as model X. So, I'm satisfied Mr D signed a contract for a vehicle model X but was supplied with model Y.

Alphaera put this down to a clerical error and didn't think a rejection was proportionate. The model X, which Mr D said he believed he was acquiring is known to be a more powerful model of the vehicle than the model Y. I'm satisfied that this would have been a key factor in Mr D's decision to enter into the agreement. The value of the car would also have been different between the two for this reason.

The finance agreement forms the contract, so I'm satisfied Mr D was given a false statement of fact, in that the finance agreement states the vehicle was a particular model which it wasn't. The cash price of the vehicle is significant, so I think it's reasonable to consider that the specifications of the vehicle would have been of some importance to Mr D. I'm satisfied, in the circumstances, Mr D would have made other arrangements had he realised what model of vehicle it actually was that he was being supplied with. In addition to this, in an email from Alphaera to the dealership dated in March 2025, they acknowledged and confirmed they were satisfied the car had been mis sold to Mr D and recommended that it be rejected.

So having considered Mr D was mis sold the vehicle, Alphaera will have to put things right for him.

Mr D should be allowed to reject the car and receive a full refund of the deposit he's paid. I'm also in agreement with the Investigator that Mr D should receive a 10% refund of his monthly repayments made, to reflect the difference in model. In an email dated in April 2025, from Alphaera to the dealership they confirmed their understanding that the vehicle was a model X

and that the sales price had reflected it. So, I'm persuaded there would have been a difference in value that Mr D paid.

And to recognise the distress and inconvenience caused from this I think £150 in compensation is fair in all the circumstances. So, I'll be instructing Alphera to do this.

### **My final decision**

Having thought about everything above along with what is fair and reasonable in the circumstances I uphold this complaint and instruct BMW Financial Services (GB) Limited trading as ALPHERA Financial Services to:

- collect the car at no additional cost to Mr D
- end the agreement and remove it from Mr D's credit file
- refund to Mr D the deposit he paid (if any part of this deposit is made up of funds paid through a dealer contribution, BMW Financial Services (GB) Limited trading as ALPHERA Financial Services is entitled to retain that proportion of the deposit)
- pay a 10% refund of the monthly instalments made under the agreement as instructed in my decision
- pay Mr D £150 in compensation for the distress and inconvenience caused

BMW Financial Services (GB) Limited trading as ALPHERA Financial Services should pay 8% yearly simple interest on all refunds calculated from the date of payment to the date of settlement.

If BMW Financial Services (GB) Limited trading as ALPHERA Financial Services considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr D how much it's taken off. It should also give Mr D a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 31 October 2025.

Benjamin John  
**Ombudsman**