

The complaint

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

What happened

Mr A acquired a used car financed through a hire purchase agreement with BMWFS he signed on 4 September 2024. Mr A said he noticed a chip on the windscreen and was told it had been professionally repaired. On the way home from collecting the car on 7 September Mr A said the car appeared to judder, with errors noted on the dashboard. On 8 September the car became immobile with drivetrain and steering errors. He called roadside assistance but was advised to contact the selling dealership as the faults had occurred so close to acquiring the car. On 9 September the chip on the windscreen developed into a larger crack.

The dealer eventually agreed to collect the car for repairs. The repairs included windscreen replacement and transmission. Mr A said when the car was returned to him he noticed further issues including large scratches on the passenger side which weren't there previously, interior damage and persistent moisture issues with water seeping into the car during rain. It also appeared the windscreen hadn't been properly sealed. Mr A said despite them being repaired the drivetrain and steering issues persisted. He raised a complaint with BMWFS.

After a long delay BMWFS issued its final response and partially upheld the complaint. It said all the issues were fixed and that Mr A was now eligible to claim new issues under the warranty. It offered Mr A £150 in compensation by way of an apology. Mr A wasn't satisfied and brought his complaint to this service.

Mr A continued to have problems and due to the length of time BMWFS held the complaint for Mr A took the car to a local manufacturer's garage. This garage diagnosed and repaired the problem with the power steering, which was covered under warranty but it also diagnosed further repairs needed relating to steering gear, costing over £3,000. Mr A said this is what the selling dealer should have repaired. He said the issues had impacted the reliability of the car and he now wished to reject it.

Our investigator concluded the car wasn't of satisfactory quality when supplied and recommended Mr A be allowed to reject the car. BMWFS acknowledged receipt of the investigator's view but didn't provide any response to the conclusions so the complaint has come to me for a 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.

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

I trust Mr A 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 A'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 A. 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 about five years old, had been driven for 83,176 miles and had a price of £35,900. 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. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

I'm satisfied there is a fault with the car. I say this because faults relating to the windscreen and transmission were diagnosed and repaired by the selling dealership within days and weeks of Mr A acquiring the car. Mr A continued to have problems with the car and I've seen a job estimate for work needed on the steering gear costing over £3,000.

BMWFS said in its final response that the required repairs were completed. These issues were related to the windscreen and the transmission. But within weeks Mr A has experienced further issues with the car. There is water ingress around the replaced windscreen and continuing problems with steering/drivetrain.

Under the Consumer Rights Act 2015, within the first six months the general position is the onus is on the supplier to show that the goods did conform to the contract when supplied. Despite the problems being discovered within the first six months BMWFS hasn't conducted an independent inspection of the vehicle or investigated the further issues Mr A has had. Mr A took it upon himself to get the car diagnosed and has provided evidence of steering gear issues. Mr A has had various and continued problems with the car in the first five months of driving it and I'm persuaded the faults were likely present or developing at the point of sale. So I don't think the car was of satisfactory quality when it was supplied.

It seems likely the problem with the windscreen and water ingress is due to a failed repair and the dealership has already repaired the transmission so I'm satisfied it's had its one opportunity to repair the vehicle. So I think it now fair and reasonable that Mr A be allowed to reject the car.

Mr A hasn't used the car since 10 February 2025 because of the problems with it so I think it fair and reasonable he is refunded payments made from that date. Mr A has also explained that this situation has caused him frustration and it has been a stressful time. So I think it fair and reasonable BMWFS pay him a further £100 compensation in addition to the £150 it already offered.

Putting things right

To put things right BMWFS must:

- end the finance agreement ensuring the customer is not liable for monthly rentals after the point of collection (it should refund any overpayment for these if applicable);
- take the car back (if that has not been done already) without charging for collection;
- refund the customer's deposit/part exchange contribution of £12,602;
- refund the customer all rentals for the period from February 2025 to the date of settlement as the customer reasonably stopped using the car from 10 February. This refund should include the payment made in February;
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- pay Mr A £150 it offered if it hasn't already done so.
- pay a further amount of £100 for any distress or inconvenience that's been caused due to the faulty goods;
- remove any adverse information from the customer's credit file in relation to the agreement.

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 A to accept or reject my decision before 28 October 2025.

Maxine Sutton
Ombudsman