

The complaint

Mrs B is unhappy that BMW Financial Services (GB) Limited trading as MINI Financial Services ('BMW') didn't treat her fairly when she needed support making payments on her car finance agreement.

She is also unhappy it didn't allow her to transfer the agreement to another person.

Mrs B is represented in this complaint but for ease of reference I will refer to Mrs B throughout.

What happened

Mrs B entered into a hire purchase agreement in July 2023, the agreement was for 48 months, and Mrs B was required to make 46 monthly payments of £414.20. In June 2024 her circumstances changed, and she got in touch with BMW about this. Mrs B explained she was struggling to make repayments, and her exit options were discussed.

Mrs B explored the option to voluntarily terminate the agreement and BMW provided several quotes. She also enquired about the possibility of transferring the agreement to another person but was told this wasn't possible.

BMW looked into Mrs B's concerns but didn't think it had done anything wrong so didn't uphold the complaint. It explained why the agreement couldn't be transferred and set out Mrs B's options to exit the agreement.

Mrs B remained unhappy and so the complaint was referred to our Service. One of our Investigator's looked into things and whilst she empathised with Mrs B's circumstances, she didn't think BMW had treated Mrs B unfairly. So, she didn't recommend it take any further action to put things right.

As an agreement couldn't be reached the complaint has 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.

Having done so, I've reached the same overall conclusions as the Investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's not because I don't believe it affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mrs B was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're

able to look into complaints about it.

Transferring the agreement to another person

Mrs B explained that she wanted to transfer the agreement to another person, but BMW said this wasn't possible. Mrs B entered into the hire purchase agreement – this is a legally binding contract. She knowingly made the application and signed the agreement on the basis that it was her details on the paperwork. Under that contract BMW owned the car and allowed Mrs B to use it under the terms of the agreement. The car wouldn't belong to her until the agreement was fully settled. So, it's normal, and reasonable, for businesses like BMW to include specific terms that protect its asset, the car.

In this case, under 'Your care of the Vehicle' term 4(g) states: *keep the Vehicle in your possession and under your control and not sell, rent or dispose of it or attempt to do so or allow someone other than you to become registered at the Driver and Vehicle Licensing Agency as the Vehicle's registered keeper;*

Term 10(b) states: *You must not transfer this agreement to anyone, as it is personal to you...*

I'm satisfied that it is reasonable for BMW to rely on these terms as it is the legal owner of the car. It's clear that this agreement is between Mrs B and BMW and can't simply be transferred – it would require an application for a new agreement to be made by the other person, and BMW would be required to conduct the necessary credit and affordability checks. There is no guarantee that the credit would be granted. So, it follows, I'm satisfied that BMW has acted reasonably and in line with the terms of the agreement that Mrs B entered into.

Financial difficulties

I'm sorry to hear about both the personal and financial difficulties Mrs B has described to this Service, I understand this has been an extremely difficult time for her.

What I need to decide in this case is whether BMW acted fairly once Mrs B notified it about her financial difficulties. If I don't think it has, I'll need to think what's fair, if anything, to put things right.

Mrs B told BMW in June 2024 that her financial position had changed. I appreciate Mrs B feels strongly about the lack of phone recordings being provided on this point, but I'd like to point out, I am satisfied I have enough information to reach what I consider to be a fair and reasonable outcome. She has also referred to a case study found on our website and a previous decision.

But I want to make clear that I am considering the specific circumstances of Mrs B's case and just because a different case has been upheld, does not mean that Mrs B's complaint should also be upheld. I would also add that I am familiar with other decisions our Service has issued relating to this matter that have not been upheld. But it is again the individual circumstances of each case that will ultimately determine the outcome of that specific case. Having reviewed the evidence both BMW and Mrs B has provided I don't think BMW acted unfairly when it was told about Mrs B's change of circumstances.

The Financial Conduct Authority ("FCA") sets out the rules and guidance a lender must follow where its customer is in financial difficulty. The rules and guidance are applicable to customers whose accounts fall into arrears and vulnerable customers. In this case, Mrs B's account had fallen into arrears, and she had failed make the repayments owed under

the agreement.

I understand why Mrs B thought it was unfair for BMW to offer an exit option which would leave her with a considerable amount to repay with no use of a car. And she thinks it would be fairer to wait until she reached the halfway point of the agreement so that she could voluntarily terminate the agreement with nothing further to pay. But I don't agree.

The agreement can be settled early, which is explained in the hire purchase agreement and is set out in the Consumer Credit Act 1974. If Mrs B chooses this option, it would mean BMW would apply a rebate for some of the future interest and charges. Mrs B is also entitled to make a partial payment or a full repayment. If she chooses a full early settlement, she will need to pay the whole amount immediately. If she chooses to make a partial lump sum payment, this may reduce the remaining monthly repayments.

The terms of the hire purchase agreement also allow Mrs B to exit it early through the process of voluntary termination. This is a right which is set out in section 99 and 100 of The Consumer Credit Act 1974. Mrs B's agreement states:

'You have a right to end this agreement. To do so, you should write to the person you make your payments to. They will then be entitled to the return of the goods and to half the total amount payable under this agreement, that is £19,440.30. If you have already paid at least this amount plus any overdue instalments and have taken reasonable care of the goods, you will not have to pay any more'.

So, whilst the right to voluntarily terminate the hire purchase agreement can be exercised at any time during the agreement, it's clear Mrs B must repay half the total amount payable under the agreement to BMW. In this case that would leave an outstanding balance as Mrs B is only around two years into her agreement. BMW has also said that Mrs B can sell the car privately, but this might also leave her with a shortfall.

Whilst I understand Mrs B's feelings on this, my role is to treat all parties fairly in a dispute. If Mrs B couldn't keep up with the payments on her agreement, it would be unfair for BMW to just defer payments on the agreement, or reduce them, with no clear way she was going to be able to make these payments up, just because she told them she needed this change.

Having considered the options that BMW have provided, I'm satisfied that BMW has fairly provided Mrs B with the appropriate options available to her to exit the agreement and alternatively to review her income and expenditure. It has also said it would be happy to arrange an affordable repayment plan with Mrs B if she were approved. I can see BMW also provided Mrs B with independent debt charity details.

Overall, I'm satisfied that the options provided by BMW are fair and reasonable in all the circumstances and so it follows that I don't think BMW needs to do anything further.

My final decision

My final decision is that I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 4 November 2025.

Rajvinder Pnaiser

Ombudsman