

The complaint

Ms C complains about a car supplied under a hire purchase agreement, provided by BMW Financial Services(GB) Limited trading as ALPHERA Financial Services ('BMWFS').

What happened

Around July 2024 Ms C acquired a used car from a manufacturer's dealer under a hire purchase agreement with BMWFS. The car is listed with a cash price of £39,321 on the agreement, was around nine months old and had covered around 7,323 miles. Ms C paid no deposit.

Unfortunately, Ms C says the car developed issues. She said within 24 hours of getting the car, she raised concerns about a noise from the brakes. She said she was initially told by the dealer that the noises were normal.

Ms C then explained she realised the noises were not normal and asked to reject the car. But she said the supplying dealer denied this.

Ms C says she was directed by the dealer to a manufacturer's garage for a diagnostic. But she said it was only agreed for the cost to be covered if she got the car repaired, which she did not want.

In August 2024 Ms C complained to BMWFS.

The car was then taken to a different manufacturer's garage, later the same month, after Ms C says she spoke to the manufacturer. A fault with the brakes was diagnosed and repaired under warranty.

BMWFS issued its final response towards the end of October 2024. This said, in summary, that Ms C had "reluctantly accepted" a repair on the car. It said due to the length of time it had taken for Ms C to get a response, it offered to pay her £100.

Ms C remained unhappy and referred the complaint to our service. She said she did not consent to the car being repaired.

BMWFS told our service Ms C *had* agreed for the car to be repaired.

Ms C later confirmed the issue with the brakes had been resolved.

Our investigator issued a view and upheld the complaint. She said, in summary, that because Ms C didn't tell BMWFS she wanted to reject the car within 30 days, she had lost the short term right to reject. She said while there was an issue with the brakes, this had been repaired. But, she said as well as the £100 offered, BMWFS should pay Ms C an additional £100 to reflect what happened.

BMWFS responded and said it agreed with the view.

Ms C responded and said she disagreed. She said she asked to reject the car within 30 days

of getting it, on 17 July 2024. She said the broker of the finance advised her not to contact BMWFS. She said she never agreed to the repair and this was carried out without her consent. And she said following the repair she still doesn't believe the car is roadworthy.

An investigator then issued a second view. This said, in summary, that she thought Ms C did exercise her short term right to reject the car. But, she said there was no evidence to show Ms C didn't agree to the repairs carried out. As these resolved the issue, she said Ms C couldn't now reject the car. She did say however that 25% of the repayments for the period before the repair was carried out should be reimbursed to reflect impaired use, as well as the additional £100 previously recommended.

Ms C didn't agree. She said she refused to have the car repaired and this was done against her wishes. She said a fair resolution would be to have all the repayments returned to her since she asked to reject the car.

Our investigator initially explained this didn't change her opinion. But she then issued a third view on the complaint. This said, in summary, that she now didn't think it was Ms C's intention for the car to be repaired and this was carried out without her authorisation. So, she now said BMWFS should allow her to reject the car. And she said a further amount of £300 should be paid, as well as 15% of the repayments prior to the repair to reflect impaired use.

Ms C agreed with the outcome.

BMWFS responded and said it did not agree. It said, in summary, that the issue was raised with it outside of the first 30 days, so the remedy available to Ms C was a repair, not a rejection. BMWFS said it had spoken to a family member of Ms C's who told it they had accepted repairs. And it said it would have supported a rejection if it had received a diagnostic when it was investigating the complaint.

Our investigator explained this didn't change her opinion.

As BMWFS remained unhappy, the complaint was passed to me to decide. I sent both parties a provisional decision on 30 July 2025. My findings from this decision were as follows:

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 initially think this complaint should be upheld. But I don't think Ms C should be able to reject the car. I'll explain why.

Ms C complains about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Ms C's complaint against BMWFS.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – BMWFS here – needed to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description.

So, in this case I'll consider that the car was used. However, it was under a year old, had

covered less than 8,000 miles and cost around £40,000. This means I think a reasonable person would still have very high standards for its quality. I think they would expect it to be free from any faults and would expect trouble free motoring for some time.

In this case, I don't think whether the car was of satisfactory quality or not is a particularly contentious issue, so I don't intend to comment in too much detail about this.

I'm satisfied that the car had a fault with the brakes when Ms C acquired it. I say this as Ms C raised the issue early on, and I've seen an invoice from when the repairs were carried out from 22 August 2024. This recorded the mileage as 8,401. This said:

"Carried out diagnostics & road test as to noise front brakes confirmed fault & carried out a repair"

I think it's clear that a reasonable person would not expect this fault to be present on this car. It follows that I find the car was of unsatisfactory quality.

The crux of this complaint is what, given the car was of unsatisfactory quality, needs to be done to put things right.

Ms C has made it very clear that she wishes to reject the car. So I've considered whether this is now reasonable.

The CRA sets out various remedies for goods being of unsatisfactory quality. It explains that Ms C would have the 'short term right to reject' in the first 30 days after the car was delivered.

I've considered whether Ms C exercised this right. BMWFS argued that because it wasn't aware, Ms C didn't exercise the right. But, I'm satisfied Ms C did tell the dealer and the broker she wished to reject the car within this period. I'm satisfied this means Ms C did exercise her short term right to reject.

So, I'm satisfied Ms C both had the short term right to reject and exercised this right. So, I've thought about what then happened.

Ms C says the car was taken to a manufacturer's garage only for a diagnostic and she didn't authorise a repair. BMWFS said Ms C did agree to the repair.

I've seen a call note from the time from BMWFS that states

"Customer accepted repair"

Having reviewed the invoice from the repairing garage, nothing is recorded about Ms C explaining she didn't wish for repairs to be carried out.

I've also viewed the online health check video from when the issue with the brakes was identified. This appears to have been filmed before the repairs were carried out, and I assume would have likely been sent to Ms C at this point to show the issue. I of course don't know for sure what happened here, but it might seem odd to film this and then carry out the repair without authorisation. The webpage from the link also lists the repairs specifically as "Authorised".

Finally, I've also considered the general likelihood of a professional garage being specifically told not to carry out a repair and then deciding to carry it out anyway, against a customer's wishes.

Having thought about all of this, on balance I think it's most likely that Ms C did agree to the car being repaired. And she's confirmed that the repair was successful.

I've then thought about the timescales here. The repair was carried out between Ms C complaining to BMWFS and it issuing a response to the complaint.

In summary, I think what mostly happened was that the car was of unsatisfactory quality when supplied; Ms C requested to reject it; then she complained to BMWFS; and then she authorised a successful repair to the car before BMWFS had responded to the request to reject.

The CRA explains that a repair was also a remedy available to Ms C under the circumstances. And I don't think it would be reasonable for Ms C to have a successful repair, that she authorised, followed by a rejection.

It follows all of this that I'm satisfied in broad terms the repair met Ms C's rights under the CRA and she no longer has the right to reject the car.

I will say of course that I was not present for the conversations that took place between Ms C and the repairing dealer. So I should explain that even if I didn't think Ms C authorised the repairs, I would still not likely say it would be reasonable for BMWFS to now take the car back under the very specific circumstances of this complaint.

I say this as looking at the repairing garage, although this was also a manufacturer's main dealer, I'm satisfied it wasn't connected to the supplying dealer and was a separate company. Nor was it connected to BMWFS.

If the repairing dealer had carried out an unauthorised repair, essentially denying Ms C's right to reject – and I need to make it crystal clear I am not making the finding that it did – then this means a third party stopped the car being rejected, not the supplying dealer or BMWFS. BMWFS were still at this time investigating things – so it had not declined Ms C's right to reject at the point of repair.

So, under the very specific circumstances here and being fair to all parties, I wouldn't think it was fair to then require BMWFS to reject the car, given a third party had already carried out a remedy under the CRA, before it had responded to the complaint.

That being said, I still think there are some further points to consider here. Ms C has explained the brakes were making a noise before the fault was repaired. I'm satisfied this means she had impaired use of the car. There is little to no evidence of the severity of this. But, I still think it would be fair to reimburse some payments from this period. I find 10% would be fair to reflect this.

Our investigator explained that she thought Ms C had suffered distress and inconvenience because of what happened. I agree this was the case. I think it must have been upsetting for her to realise the car had a fault with it. And she had to take time out to resolve this. I find a total of £200 is a fair amount to reflect what happened.

Ms C has said she now doesn't believe the car is roadworthy. But I've been provided with no evidence any faults remained following the repairs. And I've also noted that while Ms C initially told our service she had not used the car since the repair, she later confirmed the mileage had increased by several thousand miles since that point and she had in fact been using the car without issue. So, this doesn't change my opinion.

I gave both parties two weeks to respond with any further comments or evidence.

BMWFS replied and said it accepted the decision.

Ms C responded and disagreed, making several points for me to consider.

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.

I've thought carefully about what Ms C said in response to my provisional decision.

In summary, Ms C reiterated her original points and explained that she didn't authorise a repair to the car. I want to reassure her I've carefully considered everything she said here. But this still doesn't change my opinion about this.

Ms C asked for a call to be listened to, which she said would confirm she didn't agree to the repair. I have listened to the available recordings, but I have not been provided with a call to the repairing dealer. Even if I did have this evidence, I am still only considering what BMWFS are responsible for.

For the reasons I explained above, under the specific circumstances here I still think even if Ms C did tell the repairing dealer not to repair the car and it went against her wishes, given it is a third party and BMWFS were still investigating the complaint I wouldn't think it reasonable that the car was then rejected.

Ms C asked for a clear explanation of why her right to reject is not being upheld. Respectfully, I'm satisfied this has already been set out above.

Having thought about all of the other information about the complaint again, I'm satisfied what I set out in my provisional decision was fair and reasonable.

My final decision

My final decision is that I uphold this complaint. I instruct BMW Financial Services(GB) Limited trading as ALPHERA Financial Services to put things right by doing the following:

- Reimburse Ms C 10% of the repayments under the agreement from inception to 22 August 2024 for impaired use of the car*
- Pay Ms C £200 to reflect what happened**

* This amount should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If BMWFS considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Ms C how much it's taken off. It should also give Ms C a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue and Customs if appropriate.

**If BMWFS has already paid any amount in relation to this, it can deduct it from the figure above

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 18 September 2025.

John Bower
Ombudsman