

The complaint

Mr M is unhappy with how BMW Financial Services(GB) Limited trading as ALPHERA Financial Services have responded to him when he had difficulties making payments under his agreement.

What happened

Mr M took out a hire purchase agreement with BMW in June 2023 to finance a van.

Soon after taking out the agreement, it began to fall into arrears. During this time BMW also asked Mr M to provide some documents for identification purposes.

His account was eventually terminated, but after discussions, BMW agreed to reinstate it. Mr M also made a payment from a family member's bank account to clear the arrears.

The next month, payments on the account were missed again. Mr M then told BMW he had to have a large repair carried out on the van which meant he was unable to make payments in the short term.

A payment plan was then set up. No payments were made under this plan. In May, Mr M said his bank was blocking the payments to BMW. At the beginning of June, he then said his bank accounts had been closed, and he couldn't access them.

BMW reviewed Mr M's account and realised they shouldn't have accepted the payment from Mr M's family member so they told him they would be refunding him. They told him any further payments needed to be made from a personal account in his name.

As no payments had been made, BMW began the process of terminating Mr M's agreement in July. During this time, BMW asked Mr M to supply identification documents again, which he did.

I understand the termination proceedings have been put on hold since the complaint has been with our service.

Mr M has also said he has tried to make a £20,000 payment to BMW which hasn't been received.

Unhappy with what had happened because he doesn't feel BMW have treated him fairly considering his circumstances, Mr M made a complaint.

BMW issued a final response letter in September 2024 which said they didn't think they had done anything wrong. They said they had already reinstated his agreement once, and no payments had been made on the account. And so, they didn't think they were wrong to now terminate the agreement.

Unhappy, Mr M referred his complaint to our service. An investigator looked into things and said she didn't think BMW had done anything wrong considering the outstanding arrears on the account. She also said that the issue of the missing £20,000 would need to be a new

complaint as BMW hadn't had a chance to look into what had happened.

Dissatisfied, Mr M asked for an Ombudsman to review his complaint, so it has been passed 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.

First, Mr M has told us he's unhappy that the £20,000 payment he made can't be traced. He has now received a final response letter from BMW about this. The location of this payment is not the subject of this complaint, if Mr M wants to complain further about it, he will need to do this separately to this case.

This decision will only focus on what was addressed in final response letter issued by BMW in September 2024.

I understand that Mr M has explained he had difficult and unfortunate circumstances which meant he was unable to make the agreed payments on his account. He said he feels that refunding the payments made by his family members caused his agreement to fall into further arrears.

I know the situation must have been stressful for Mr M but I don't think BMW have done anything wrong in not accepting payments from his family members. This is because they've supplied me with their policy on accepting third party payments and explained why they wanted payments made from Mr M's personal account.

While I know it would've been frustrating when previously made payments were refunded, I can see BMW told Mr M what would be happening. Considering the circumstances, and without any further evidence to the contrary, I think Mr M would've had enough time to arrange for this money to be paid back to BMW through an acceptable payment method before the agreement was terminated for a second time in July. I say this because I can see BMW gave Mr M an early settlement quote in September, so I think they still gave him some flexibility in paying off the agreement even after the termination letter.

I've also considered that Mr M was already in significant arrears even before BMW refunded him the payment made in January. This is because Mr M had missed at least five payments since this time. The relevant guidelines from the Information Commissioners Office say that a lender can default an agreement where it is at least three months in arrears. In Mr M's case, BMW began default proceedings after Mr M had missed more than three months of payments, so I'm unable to say that they acted contrary to the guidelines.

And so overall, while I'm sorry for the situation Mr M has found himself in, I don't think BMW have done anything wrong in terminating his agreement.

My final decision

My final decision is that I don't uphold this complaint for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 December 2025.

Ami Bains

Ombudsman