

The complaint

Miss J complains that BMW Financial Services(GB) Limited trading as ALPHERA Financial Services supplied her with a car that wasn't of satisfactory quality under a hire purchase agreement.

What happened

In April 2022, Miss J acquired a used car financed by a hire purchase agreement from Alphera. The car was around five years old and had travelled around 57,300 miles. It had a cash price of £23,200. Miss J paid a £500 deposit and the remainder was financed by the hire purchase agreement, repayable over 49 months.

Miss J says that in May 2023 she was advised that the timing chain required replacement and she had this work carried out in February 2024. She says that throughout 2024 a series of other faults materialised on the car, such as problems with various sensors, engine management light illuminating and issues with the EGR, gearbox and engine. She said that she had been told that a valve or wiring loom had been "*deliberately welded shut*" prior to her taking possession of the car and that this also made it unroadworthy.

She contacted Alphera about the quality of the car in late 2024. She said the volume of repairs she'd needed to pay for had caused her financial difficulty and she was struggling to meet the repayments. She then raised a complaint and wanted Alphera to put things right by taking back the car and refunding the costs of repairs. She also requested adverse markers be removed from her credit file and compensation for how her requests for help had been dealt with.

Alphera didn't think there was sufficient evidence to demonstrate the car was of unsatisfactory quality when it was supplied. However, after the complaint had already been referred to our service, it agreed to pay her £300 compensation for the way it handled her complaint and communications with her.

Our investigator thought Alphera's offer was fair. He didn't think the available evidence demonstrated that the car was of unsatisfactory quality when it was supplied. However, he considered the £300 compensation was a fair way to put right the poor way it had handled its communications with Miss J.

Miss J didn't agree, so the complaint 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.

Miss J acquired the car under a hire purchase agreement and our service is able to consider complaints relating to these sorts of regulated consumer credit agreements. The Consumer Rights Act 2015 ("CRA") covers agreements like the one Miss J entered into. The CRA implies terms into the agreement that the goods that are supplied are of satisfactory quality.

Alphera is the 'trader' for the purposes of the CRA and is responsible for dealing with a complaint about the quality of the car that it supplied. The CRA says that the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory, taking into account the description of the goods, the price and all other relevant circumstances. I consider some of the other relevant circumstances here to be the age and mileage of the car at the point of supply.

The car was supplied used and had a cash price of £23,200. It was around 5 years old and had travelled around 57,300 miles. What would therefore be considered satisfactory would be significantly different compared to if the car had been brand new and was more expensive.

It isn't in dispute that the car has required numerous repairs and that it is currently in need of further repairs. However, just because parts have failed and repairs have been necessary, it doesn't automatically mean the car wasn't of satisfactory quality when it was supplied. Parts of a car will inevitably wear over time through use and require replacement.

Miss J says she first became aware of the need to replace the timing chain in around May 2023. At this point she had been in possession of the car for around 13 months and appears she had travelled around 18,000 miles in the car (giving the car a total mileage of around 75,000). However, Miss J continued to drive the car for several months and then replaced the timing chain in late January 2024. At this point the mileage on the car was a little over 80,000.

I've not been presented with any persuasive evidence to indicate that a timing chain replacement at 80,000 miles was unexpected or premature for this specific car and model. While Miss J has said there are reports of issues with timing chains on this model, I haven't seen anything to demonstrate her specific car and its parts were adversely impacted by any manufacturing defect, or, as I've said, that the timing chain required replacement prematurely.

There is a lack of available evidence to show what the specific cause was of any of the repairs that were needed or that these were issues that were either present or developing at the time the car was supplied. Miss J has managed to cover substantial mileage in the car so I find it more likely that these issues, although unfortunate, have simply developed over time while the car was in her possession and are as a result of normal in service wear and tear.

A number of different garages have carried out repairs on the car and Miss J didn't notify Alphera of these before the work was carried out. Alphera therefore wasn't given an opportunity to attempt a repair instead. This has substantially hindered the possibility of now establishing the root cause of the initial faults with the car.

Overall, given the significant mileage Miss J was able to cover in the car before any issues presented themselves, and a lack of any persuasive evidence to demonstrate the car and its parts have failed due to something other than expected in service wear and tear, I can't reasonably conclude that Alphera has any responsibility under the CRA to remedy the issues with the car.

Miss J says that she reached out to Alphera not only to try and seek a remedy under the CRA, but to assist her with her payment difficulties. She says Alphera didn't help and were only interested in defaulting the agreement and recovering the car. She says it did not treat her fairly.

Alphera hasn't provided copies of the calls it had with Miss J, but I've seen copies of its

contact notes which detail a summary of the calls and when they took place as well as copies of correspondence that was sent and received.

I can see that Alphera did attempt to assist Miss J with her payment difficulties. While it did offer her various termination options (as it should have), I can see that it sent her an income and expenditure form in December 2023 to complete so that it could assess her financial circumstances and see what other options, if any, were available.

Alphera chased Miss J for a response as she had not returned a completed form and when Miss J asked for someone to call her to complete the assessment over the phone, Alphera attempted to do just that. Alphera tried several contact attempts by email and phone without success. I can't see that Miss J responded to Alphera's attempts to seek a completed income and expenditure assessment until the end of January 2024.

At this point, it appears Miss J wanted to set up a payment plan for the arrears on the agreement. However, Alphera explained that as well as being in arrears, she was also in breach of contract by not keeping the car repaired and in a roadworthy condition and that she didn't have valid insurance in place.

Alphera gave Miss J until 8 April 2024 to insure the car to avoid termination of the agreement. I can see Miss J did insure the car on the final day at just after four in the afternoon. However, as this did not register with the insurance database Alphera used, it terminated the agreement the next day. In any event, I can see Alphera reinstated the agreement soon after and confirmed this in writing to her.

From what I've seen, I think Alphera gave Miss J a reasonable period of time to get things back on track before terminating the agreement. And, it also promptly reinstated it when Miss J provided evidence that the car had been insured as agreed. Further, I can see that it did attempt to explore other possible options when Miss J notified it of her financial difficulty, but as she didn't complete the income and expenditure assessment, I think Alphera's options were limited.

Having said this, I do think Alphera's communication could also have been better in some areas and the need to terminate the agreement at all could have been avoided. I can see that Alphera has paid her £300 compensation for the way it had communicated with her, and taking everything into consideration, I think this is a fair way to put things right for the overall way it dealt with things. So, I won't be directing it to do anything further.

My final decision

For the reasons given above, I uphold this complaint and direct BMW Financial Services(GB) Limited trading as ALPHERA Financial Services to pay Miss J £300 compensation, if it hasn't done so already, for the distress and inconvenience caused in the way it communicated with her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 9 October 2025.

Tero Hiltunen
Ombudsman