

The complaint

Miss A complains about a car supplied to her using a hire purchase agreement taken out with BMW Financial Services (GB) Limited trading as Alpha Financial Services ("BMWFS").

What happened

In July 2024, Miss A acquired a used car using a hire purchase agreement with BMWFS. The car was around three and a half years old, the cash price of the car recorded on the agreement was £46,399, the agreement was for 49 months, made up of 48 regular, monthly repayments of £836.65, followed by an optional final payment of £22,507.78. The advance payment recorded on the agreement was £3,000. The mileage recorded on the agreement for the car was 42,294 miles.

Miss A said the engine management light ("EML") appeared on the car's dashboard shortly after acquiring the car. In October 2024, the supplying dealership repaired one of the car's sensors under warranty, and they believed that was the cause of the EML appearing.

Miss A's car was returned to her, and she said the EML illuminated again in November 2024. Miss A also believed there was an issue with the car's camera which occurred intermittently. Miss A took photos of the light appearing on the car, as well as the issues she experienced with the camera.

Miss A took the car back to the supplying dealership in December 2024 and they said they were unable to replicate the faults that Miss A said she experienced. The car was then given back to Miss A. Miss A said the issues with the car continued into January 2025.

In February 2025, a warning appeared on the car in relation to the car's braking system. Miss A said the car would suddenly brake when there didn't appear to be a reason for the car to brake.

Miss A said that she had to contact a third-party recovery company in February 2025 as the car wouldn't start. A diagnosis was carried out to the car by the third-party recovery company which found that there might have been an issue with the car's starter motor.

Miss A raised a complaint with BMWFS in February 2025 as she didn't think the supplying dealership were helping enough.

Miss A took a photo of the car's screen towards the end of April 2025. It showed a message appear on the screen which read, "*System inoperative*". The icons on the left-hand side of the screen showed that one of the car's cameras was activated. Miss A took another photo of the car's dashboard in May 2025. The photo showed that the EML was illuminated.

BMWFS gave Miss A their final response in May 2025, in which they partly upheld her complaint. BMWFS explained that they thought the supplying dealership had resolved the issue with the EML, but other faults Miss A said the car had, couldn't be identified. BMWFS

offered Miss A £150. BMWFS told our service this was due to the time taken to respond to the complaint.

Unhappy with BMWFS's response, Miss A referred her complaint to our service.

Miss A took another photo of the car's screen towards the end of July 2025. It showed the same "*System inoperative*" message. The icons on the left-hand side of the screen showed that one of the car's cameras was activated.

Our investigator upheld the complaint. In summary, he said he was satisfied there was a fault with the car which made it of unsatisfactory quality. And as BMWFS had already had the opportunity to repair the car, he thought Miss A should be allowed to reject it.

Miss A agreed with the investigator's recommendations. BMWFS disagreed. Among other things, BMWFS didn't think there were faults in relation to the car's camera. And they thought that issues which had been fixed under warranty were wear and tear issues.

The investigator explained that the further comments made didn't change his opinion. He said that multiple issues were found with the car within six months of it being supplied and didn't think it was reasonable to consider them all wear and tear issues and thought it rather suggested the car wasn't durable when supplied.

As BMWFS disagreed with the investigator's findings, the complaint was passed to me to decide.

Miss A supplied an invoice from September 2025 as the car was involved in a minor accident and meant some of its bodywork needing repairing. The invoice explained that the car had current engine mount fault codes and that the multiple fault codes were related to communication with the engine module and not related to the body damage.

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'm upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

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

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – BMWFS here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Miss A acquired was used, around three and a half years old, had been driven around 42,300 miles and cost £46,399. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

It isn't in dispute here that the car developed a fault. I say this because both parties have accepted that the EML light appeared on the car's dashboard within the first few months of Miss A being supplied the car. And that it was repaired by the supplying dealership by replacing a sensor to the car under warranty.

What is in dispute is whether there were further faults with the car in relation to the reversing camera, braking system and with the EML still appearing. BMWFS don't believe there to be any further faults with the car. On the other hand, Miss A says there are intermittent faults.

Limited information has been supplied in relation to the braking system, so I'm not making a finding on the matter. And I don't think I need to, in order to reach a fair outcome. I say this because, I think I have enough information to conclude that there is still an ongoing, intermittent fault, in relation to other parts of the car.

Miss A took photos of the car's screen towards the end of April 2025 and July 2025. They showed a message appear on the screen on both occasions which read, "*System inoperative*". The icons on the left-hand side of the screen on each photo showed that one of the car's cameras and/or parking sensors were activated.

Miss A took another photo of the car's dashboard in May 2025. The photo showed that the EML was illuminated.

These photos were taken following the supplying dealership having the opportunity to diagnose and repair the issues Miss A experienced.

It's also worth noting that Miss A has supplied an invoice created by the manufacturer's dealership in September 2025. This was due to the car being involved in a minor accident, which involved the car's bodywork needing to be repaired. The invoice for the works carried out explained that the car had current engine mount fault codes and that the multiple fault codes were related to communication with the engine module and not related to the body damage. I think this further corroborates what Miss A has said and that the EML intermittently appears as it seems there is an issue with the engine module.

Considering the above, I think it is likely there is still a fault with the car in relation to the camera system, as well as in relation to the car's EML appearing.

Was the car of satisfactory quality at the point of supply?

It isn't in dispute here that repairs were carried out to Miss A's car in October 2024, around three months after the car was supplied. Considering the fault presented itself shortly after the car was acquired, I'm satisfied the fault was likely present or developing at the point of supply.

Remedies under the CRA

I've gone on to think carefully about the remedies available to Miss A under the CRA. I've also thought carefully about the time that has elapsed, and the opportunity BMWFS has had to resolve any issues with the car.

As I've explained, I'm satisfied that there are still ongoing faults with the car.

Section 24(5) of the CRA says:

"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract."

This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e. it's not a single chance of repair for the dealership *and* a single chance of repair for BMWFS – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

In this case, there was an attempt to repair the root cause of the EML appearing on the car's dashboard. But the EML still appears intermittently as shown by photos supplied by Miss A. Then a different fault arose in relation to the camera system.

So, I'm satisfied BMWFS have already had the opportunity to repair the car and I think it failed or the car had an underlying fault that was never put right. As I'm satisfied Miss A has had at least one repair, and the car still has a fault, it follows that I think it is fair and reasonable for Miss A to be allowed to now reject the car.

Miss A has continued to use the car, so I don't think BMWFS needs to reimburse Miss A all of her monthly repayments made towards the agreement. Having said that, in line with what our investigator said, I do think BMWFS needs to reimburse Miss A a pro rata of her monthly repayments made for when she didn't have use of the car and wasn't kept mobile.

Specific dates haven't been supplied around when the car went in for repairs. However, our service has been provided a summary where it shows that the car was in to be diagnosed or repaired on at least five occasions between August 2024 and February 2025. The nature of the faults meant that Miss A was without her car a few days at a time, and she says she wasn't supplied a courtesy car to be kept mobile. If specific dates can't be ascertained, and a calculation not possible to determine a pro rata of the monthly repayments that are due to be reimbursed, then pragmatically speaking, I think it is fair and reasonable that BMWFS reimburse Miss A for one month of repayments made. I say this because I think this would be a fair and reasonable way to resolve things quickly if the necessary calculations can't be reasonably made.

Distress and inconvenience

I think it must have been frustrating for Miss A to have to deal with the car's faults. It meant that after acquiring the car, it had to be diagnosed or repaired on several occasions and it continued to have problems. Miss A has explained how she lost faith in the car and that she has a young family, and how the car has caused her some inconvenience. Thinking about all this, I think it would be fair and reasonable for BMWFS to pay Miss A £250 for the distress and inconvenience caused.

I'm aware BMWFS had already offered Miss A £150 as a gesture of goodwill. BMWFS explained in their submissions to our service that this amount was offered due to the time

taken to respond to Miss A's complaint. So, I'm satisfied the £250 payment I'm directing BMWFS to make is in addition to the offer BMWFS made to Miss A.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct BMW Financial Services (GB) Limited trading as Alpha Financial Services to put things right by doing the following:

- End the agreement ensuring Miss A is not liable for monthly rentals after the point of collection (it should refund any overpayment for these if applicable).
- Collect the car (if this has not been done already) without charging for collection.
- Refund Miss A's advance payment towards the agreement of £3,000. If any part of this advance payment was made up of funds through a dealer contribution, then BMWFS doesn't need to refund this amount. *
- Reimburse Miss A a pro rata of her monthly repayments for the time her car was in for repairs, and she wasn't kept mobile between August 2024 and February 2025. If a calculation isn't possible, then BMWFS should reimburse Miss A the equivalent of one monthly repayment she had made towards the agreement. *
- Pay Miss A £250 to reflect the distress and inconvenience caused, in addition to the £150 they had already offered Miss A in their final response.
- Remove any adverse information from Miss A's credit file in relation to the agreement, if any.

* These amounts 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 Miss A how much it's taken off. It should also give Miss A a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If BMWFS has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 1 December 2025.

Ronesh Amin
Ombudsman