

## The complaint

Mrs W is unhappy that a car supplied to her under a hire purchase agreement with BMW Financial Services (GB) Limited trading as Alphera Financial Services ('BMWFS') was of an unsatisfactory quality.

## What happened

In March 2022, Mrs W was supplied with a used car through a hire purchase agreement with BMWFS. She paid an advance payment of £3,465 and the agreement was for £25,574 over 60 months; with monthly payments of £519.69. At the time of supply, the car was almost four years old and had done 28,836 miles (according to the MOT record for 25 March 2022).

Mrs W says the car was supplied with the wrong size tyres and damage to the alloy wheels, including welded cracks to three of the wheels. Mrs W also said there were other issues with the car including, but not limited to, the AdBlue system and electrical faults. The car was inspected by two separate garages in April and May 2023, where the AdBlue system issues were confirmed.

Following this, the supplying dealership repaired the AdBlue system. However, Mrs W wasn't satisfied that this had fixed the fault. She complained to BMWFS in July 2024, after the engine management light had illuminated, and they responded to this complaint in a letter dated 4 September 2024. BMWFS said the issues with the car were down to normal in-service wear and tear, and the AdBlue light illuminating indicated it needed topping up, again from normal usage. They said that some of the problems Mrs W was experiencing was down to her leaving the car in neutral, not park, when stationary, and there was no evidence of any faults with the car that were present or developing when the car was supplied.

Unhappy with this response, Mrs W brought her complaint to the Financial Ombudsman Service for investigation.

With regards to the tyres and alloys, our investigator said that Mrs W had the opportunity to examine the car before it was supplied to her, and if the damage to the alloys was present when the car was supplied, then it was something that should have been reasonably obvious to Mrs W at the time. The investigator also said that Mrs W didn't raise the issue of the wheels and tyres until she'd driven the car for around 10,000 miles, so they didn't think the alloy wheel issues were likely present when the car was supplied.

With regards to the AdBlue issues, the investigator said there was evidence of a fault, but this was only identified after Mrs W had had the car for more than a year and after she'd driven it for around 10,000 miles. The investigator said that the car hadn't been independently inspected, nor was there any expert's opinion that said the AdBlue system was faulty when the car was supplied to Mrs W.

Notwithstanding this, the investigator didn't think it was reasonable for the AdBlue system to fail at under 40,000 miles. They said an AdBlue system could be expected to last 100,000 to 150,000 miles, so it failed prematurely. As such, the AdBlue system wasn't sufficiently durable, and this made the car of an unsatisfactory quality when it was supplied.

As the dealership had already attempted to repair the AdBlue system, and as this repair had failed, the investigator said that Mrs W should now be allowed to reject the car, with a refund of her deposit, some of her payments, and the diagnostic costs she incurred. The investigator also said that BMWFS should pay Mrs W £250 compensation for the impact of what had happened.

BMWFS didn't agree with the investigator's opinion and asked for the opportunity to have the car independently inspected. This inspection took place on 30 June 2025, when the car had done 46,583 miles – around 17,800 miles since being supplied to Mrs W.

The independent engineer who carried out the inspection said there were no current faults with the AdBlue system and, while there was an issue that was present or developing at the point of supply, this had been satisfactorily rectified. Based on this report, the investigator revised their opinion. They said that, although a fault was present when the car was supplied, as a repair had been successful, Mrs W didn't have the right to reject the car. However, the investigator still said that BMWFS should refund Mrs W one monthly payment and pay her £250 compensation for what had happened.

Mrs W didn't accept the investigator's revised opinion. She said that the independent engineer's report was biased towards BMWFS, and this didn't take into consideration the other faults with the car – the issue with the alloy wheels, the radio and phone didn't work for 3-months, the car rolls when parked, and one key doesn't work.

Mrs W also said that she suspected the car had been fixed by the supplying dealership while it had been in their possession since February 2025, and *"once the add blue tank gets emptied the computer will automatically shut the engine down and I shall be left with a costly repair ... the [independent] inspector says the car is repaired but my question is for how long? the answer? till the add blue fluid runs out. And then what? It will be back to square one, useless vehicle, undrivable."*

Because Mrs W didn't agree with the investigator's revised opinion, this matter 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 because I don't believe it's 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 W was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, BMWFS are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other

relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless BMWFS can show otherwise. So, if I thought the car was faulty when Mrs W took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask BMWFS to put this right.

Before I explain why I've reached my decision, I think it's extremely important for me to set out exactly what I've been able to consider here. In addition to her complaint about BMWFS, Mrs W is unhappy with how the supplying dealership has dealt with the issues she raised to them about her car. Section 56 of the Consumer Credit Act 1974 states that the dealership would be acting as an agent of BMWFS, but only in respect of any negotiations when the car was supplied. This agency relationship does not extend to the actions of the dealership after the car has been supplied i.e., how they acted when dealing with the repairs.

As such, Mrs W's complaints about the dealership aren't the responsibility of BMWFS, so they won't form part of my decision.

Mrs W has commented extensively on the faults and issues she says were present when the car was supplied to her. Chief amongst these are the damage to the alloy wheels and the tyres. Mrs W didn't purchase the car under the Distance Selling Regulations, so she saw and had the opportunity to examine the car prior to purchase. The CRA is clear that, where a consumer has had the opportunity to examine the goods before or at the point of purchase, and where there is a clear and obvious fault (as Mrs W is saying there was), then there is assumed acceptance of that fault, and it doesn't make the goods of an unsatisfactory quality at the point of supply.

As such, I won't be asking BMWFS to take any action regarding these faults.

I've seen a copy of the independent engineer's report, dated 30 June 2025. While I've noted Mrs W's comments that she considered the contents of this report to be biased towards BMWFS, I've also seen that the engineer confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

The engineer has confirmed that there was an issue with the AdBlue system that was present at the point of supply. However, the engineer was satisfied that this fault had now been satisfactorily repaired and "*the vehicle has no faults relating to the AdBlue system at the time of inspection.*" The engineer also made no mention of any other faults that were present at the time of inspection.

As I've said, I'm satisfied that this report is reasonable to rely upon, so I'm satisfied that any repairs have been successful. As such, when a repair has been successful, the CRA doesn't give Mrs W the right of rejection, and I won't be asking BMWFS to allow her to reject the car. However, I still think they need to do something, as the car was not of a satisfactory quality when it was supplied due to the developing AdBlue fault.

Before I address what I think BMWFS need to do to put things right, I would like to address Mrs W's concerns about what will happen to the car when the AdBlue tank next runs dry. When an AdBlue tank runs dry, it's expected that the car will go into limp mode and, once

turned off, will not restart until the AdBlue is refilled. It's also the case that, running out of AdBlue could result in a costly repair due to the Diesel Particulate Filter becoming blocked.

AdBlue is a vital part of the fuel system, and modern cars with this system are designed to stop running when no AdBlue is present. This is why they are fitted with an AdBlue warning system (either a warning light or message) to advise the driver that the AdBlue fluid is getting low and needs to be topped up. Checking the AdBlue fluid levels is part of regular car maintenance, just like checking the oil and other fluid levels, and should be carried out on a regular basis – topping up where necessary. As such, as long as Mrs W regularly checks the level of the AdBlue fluid in the car, topping this up when necessary, and taking immediate action when a low AdBlue fluid warning appears, she should avoid the issues she's concerned about.

### **Putting things right**

The car was off the road for six weeks in 2024 while the dealership was awaiting parts to be able to repair the AdBlue system in the car. And, during this period, Mrs W was only supplied with a courtesy car for two weeks. So, for four weeks she was paying for goods she was unable to use. As, for the reasons already stated, the car was off the road due to a fault that was developing when it was supplied, and as BMWFS failed to keep Mrs W mobile; I'm satisfied they should refund the payment she made during this period.

I also think Mrs W should be compensated for the distress and inconvenience she was caused by the above. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I note our investigator recommended BMWFS pay Mrs W an additional £250, to recognise the distress and inconvenience caused. And having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, this is a payment I'm directing BMWFS to make

Therefore, BMWFS should:

- refund the payment Mrs W paid in July 2023;
- apply 8% simple yearly interest on the refund, calculated from the date Mrs W made the payment to the date of the refund<sup>†</sup>; and
- pay Mrs W an additional £250 to compensate her for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (BMWFS must pay this compensation within 28 days of the date on which we tell them Mrs W accepts my final decision. If they pay later than this date, BMWFS must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

<sup>†</sup>If HM Revenue & Customs requires BMWFS to take off tax from this interest, BMWFS must give Mrs W a certificate showing how much tax they've taken off if she asks for one.

### **My final decision**

For the reasons explained, I uphold Mrs W's complaint about BMW Financial Services (GB) Limited trading as Alpera Financial Services. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 12 November 2025.

Andrew Burford  
**Ombudsman**