

The complaint

Mr C complains that a car he acquired through a personal contract agreement (a type of hire purchase agreement) financed by BMW FINANCIAL SERVICES (GB) LIMITED trading as Alphera Financial Services (Alphera).

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Mr C acquired a car under a hire purchase agreement in May 2022; the car was almost five years old with a cash price of £17,599 and had covered around 40,000 miles.

In January 2025 Mr C says he started experiencing problems with the car, it broke down without warning and so he complained to Alphera.

Alphera commissioned an independent inspection which concluded that there were faults with the vehicle, but they wouldn't have been developing or present at the point of supply given the number of miles covered since Mr C acquired the car. Alphera issued its final response letter and didn't uphold the complaint. In short it said Mr C had the car for over two years before experiencing a fault and based on the independent inspection it didn't think the car was of unsatisfactory quality when supplied.

Our Investigator looked into things, and she didn't uphold the complaint. Both parties have had sight of these findings, so I won't go into much detail about them here. But in summary she accepted the car had a fault but was of the opinion that this wouldn't have been developing or present at the point of supply.

As an agreement couldn't be reached the case 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 our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr C, but I will explain my reasons below.

I trust Mr C will not take the fact that my findings focus on what I consider to be the central issue as a courtesy. The purpose of my decision isn't to address every point raised but to set out my conclusions and reasons for reaching them.

This reflects the nature of our service as an informal alternative to the courts. 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 argument to be able to reach what I think is the right outcome.

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 good industry practice at the time.

The hire purchase agreement entered by Mr C is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Alphera is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr C entered. Because Alphera supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr C's case the car was used and covered approximately 40,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

It isn't in dispute that there's a fault with the car, Mr C had the car for almost three years and covered just over 44,500 miles before it experienced a catastrophic failure. But just because the car requires repair now, doesn't automatically follow that it wasn't of satisfactory quality when it was supplied.

A car has numerous mechanical and electrical parts which will inevitably wear with age and use. Different parts of a car will have differing expected lifespans, and some will be required to be replaced as part of regular ongoing maintenance. With this in mind I've not seen anything to persuade me that the engine failure which Mr C complains of failed prematurely or was not reasonably durable given its age and mileage.

The CRA implies that goods must confirm 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 Alphera can show otherwise. But, where the fault is identified after the first six months, the CRA implies that it's for Mr C to show it was present when the car was supplied.

Alphera arranged for an inspection to be carried out by an independent third party. I've seen a copy of the independent engineer's report for the inspection that took place on 7 February 2025. From the information I have, I'm satisfied the car would've travelled around 44,500 miles since supply.

The engineer set out his findings and concluded: '*In my professional opinion the reported automatic gearbox fault was not present at point of sale as the vehicle has covered 44,659 miles since the sale*'.

I'm satisfied the report is independent and the engineer was suitably qualified to make a finding on the car's condition. The report includes the expert's duty to the court and a statement of truth. For that reason, I think I can put substantial weight on its findings.

I appreciate Mr C was upset that the car broke down and his frustration at being told it needs significant repairs but given the evidence both Mr C and Alphera have provided I don't think it follows that the car was of unsatisfactory quality when supplied. This was a used car that was around seven years old and had covered around 84,000 miles when the fault occurred, and over 44,500 miles since Mr C acquired it.

Had there been an underlying defect at the time the car was supplied, I consider it more likely than not that the car would've failed much sooner than it did. Given the car's age and overall mileage, I don't find the failed automatic gearbox not to be sufficiently durable but on balance, had likely deteriorated over time due to inevitable wear and tear. So, having considered everything I'm not persuaded the car supplied to Mr C was of unsatisfactory quality.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 December 2025.

Rajvinder Pnaiser
Ombudsman