

The complaint

Mr A complains that BMW Financial Services (GB) Limited (BMWFS) trading as Alphera Financial Services (Alphera) unfairly terminated his Hire Purchase (HP) agreement, repossessed his car and put a default on his credit file causing him significant stress. He would like the default removed and for a fair outcome to be negotiated.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- As I understand it there were three issues that led to BMWFS taking the action it did. Mr A's car was seized by the police as it was being driven by a third party uninsured driver and BMWFS subsequently discovered the car wasn't correctly insured.
- Both of these issues breach the agreement Mr A had with BMWFS which I have seen. This states the car must be kept in Mr A's possession and in his control, and it must be comprehensively insured. Both also fall under failures, according to the agreement, that are grounds for BMWFS to end its agreement early.
- The seizure of the car and the fact Mr A's licence was not only revoked but he failed to advise BMWFS of this are further failures that allow BMWFS to end its agreement.. So I think it's clear BMWFS had sufficient grounds to terminate Mr A's agreement.
- Mr A feels when he took out his agreement BMWFS should have made him aware of the implications of losing his licence as at he already had 9 points on it. I am not clear if Mr A shared this information at the time, even if he did it's Mr A's responsibility to understand the points system not BMWFS's responsibility to advise him of this..
- Mr A doesn't feel that BMWFS gave him sufficient time to provide documentation to avoid his agreement being terminated. I appreciate Mr A was abroad at the time and dealing with difficult personal circumstances which I don't doubt were stressful. However from what I have seen I can't agree he wasn't given sufficient time to do what he needed to do.
- BMWFS called and emailed Mr A on 19 August 2024 the day the car was seized. It then sent a default notice 10 days later allowing 20 days for Mr A to provide relevant documentation. Mr A provided some documentation but this evidenced the insurance cover was only temporary. He didn't provide a signed letter to say the car was in his possession which was requested by 6 September 2024. BMWFS chased

in early November, Mr A responded to say he was out of the country. At this point BMWFS checked the insurance provisions for the car and found it didn't have valid insurance so decided to terminate Mr A's agreement.

- Even allowing for distressing and challenging circumstances which , whilst not evidenced to us, I am prepared to accept ,I think Mr A had plenty of opportunity to provide the information BMWFS requested or to explain why he couldn't and try to find some other solution. I don't feel BMWFS were unreasonable to terminate his agreement at the point it did.
- I have however noted that in its final response letter (frl) BMWFS said there were two occasions when Mr A asked for it to contact him but it didn't. Also it took slightly longer than it should have to issue its frl. It felt £225 compensation was reasonable for this. We have checked with BMWFS and this offer still stands.
- In terms of the impact on Mr A's credit file, whilst I appreciate his concerns it is important that credit files accurately report account history. As I think it was reasonable for BMWFS to default Mr A's account I can't reasonably ask it to remove this from Mr A's credit file.
- Based on all of the information I have seen I don't believe BMWFS were wrong to terminate Mr A's agreement. However I think its reasonable BMWFS pays the £225 compensation it offered to reflect not returning two calls and the slight delay in issuing its frl.
- I have noted that after our investigator issued her view Mr A made us aware of a Court Order against him in favour of BMWFS ordering Mr A to return the car to BMWFS. Mr A said that he called to ensure the court date was cancelled – I am not clear who Mr A called but any court action is between Mr A , the Court and BMWFS it's not something we can get involved in, neither do we have the power to overturn a court decision.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement BMW Financial Services (GB) Limited should pay Mr A £225 compensation for any distress and inconvenience caused in its communications

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 December 2025.

Bridget Makins
Ombudsman