

The complaint

Mr S complains about the satisfactory quality of a car supplied to him using a hire purchase agreement taken out with BMW Financial Services(GB) Limited ("BMWFS"). Mr S also believes there was a misrepresentation in relation to a subscription service which could be added to the car.

What happened

In October 2024, Mr S acquired a brand-new car using a hire purchase agreement with BMWFS. The cash price of the car was £43,454.80, the agreement was for 36 months, made up of 35 regular, monthly repayments of £310.84, followed by an optional final payment of £23,456.21. The advance payment recorded on the agreement was £13,000.

Mr S said that prior to acquiring the car, he inquired about whether the car required any subscriptions as he specifically wanted a car that didn't have any. Mr S said he was told the car didn't have any subscriptions.

When Mr S collected the car, there was a subscription for various features of the car. The subscription package, among other things, provided real time traffic information, online weather and news updates, over-the-air updates to the car's sat nav, as well as games and access to some video streaming services. Mr S said he received a notification informing him that the subscription was coming to an end. The subscription service started on 30 October 2024 and ended on 30 January 2025.

Mr S said he also noticed an issue with the handbrake. And he said the car was having electrical issues, where the car's screen froze, and the central control unit wasn't working.

Mr S discussed the issues he had with the car with the supplying dealership. Around this time, Mr S also received an email from the dealership explaining that they would look into reimbursing him for the cost of the subscription for up to two years, once he paid for it himself.

Mr S said the car was arranged to be repaired on a few occasions, starting at around December 2024, at both the supplying dealership and another branch of the dealership. But for various reasons, a suitable appointment for both parties couldn't be agreed.

Mr S complained to the supplying dealership as he wished to reject the car. Mr S thought the car and agreement was misrepresented in relation to the subscription service and Mr S thought there was a fault with the car.

The supplying dealership didn't uphold Mr S's complaint as they didn't think misleading information was made to him. They explained that the subscription service was optional and not required to operate the car. They also said that an appointment was scheduled in relation to the handbrake in February 2025, for their technicians to investigate further.

Mr S also complained to BMWFS in January 2025. As BMWFS didn't respond to him within the relevant timeframe, Mr S referred his complaint to our service in March 2025.

Mr S said he was told by the supplying dealership that they admitted to mis-selling the car to him in relation to the subscription service.

In April 2025, BMWFS issued their final response to Mr S. In summary, they didn't uphold Mr S's complaint. They said there was no evidence of a mis-sale and that Mr S didn't attend the February 2025 appointment for the electrical issue with the handbrake. And so, they couldn't conclude there was a fault with the handbrake.

Our investigator issued his view where he explained that he upheld Mr S's complaint as he thought there was a fault with the car which made it of unsatisfactory quality. And he thought the car was misrepresented to Mr S.

BMWFS didn't initially respond to the investigator's view, so the complaint was escalated to an ombudsman. Mr S, while he accepted the investigator's findings, among other things, thought that he should be entitled to a full refund that included tax, insurance and all other costs involved as he raised issues with the car within 30 days of acquiring it.

BMWFS later said that they wanted the car diagnosed to determine whether there was a fault with it. Mr S agreed to this, but thought BMWFS should arrange for the inspection and collection of the car rather than having to take it himself to a supplying dealership to be inspected.

In August 2025, the supplying dealership agreed to inspect the car and it was inspected in September 2025. The supplying dealership couldn't identify any faults with the handbrake.

BMWFS informed our service that they didn't accept rejection of the car as they didn't think there was a fault with it.

As both Mr S and BMWFS wished for the complaint to be considered by an ombudsman, it was passed to me to decide.

I issued a provisional decision on 29 September 2025 where I explained why I didn't intend to uphold Mr S's complaint. In that decision I said:

"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.

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

The satisfactory quality of the car supplied

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 here that the car Mr S acquired was brand-new and I think a reasonable person would expect it to be in excellent condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

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?

Mr S says the car was having electrical issues, where the car's screen froze, and the central control unit wasn't working. Mr S also says there was an issue with the car's handbrake.

In relation to the handbrake issue, Mr S believed the handbrake when applied did not always catch and hold the car.

So, Mr S informed the dealership. The dealership say that with Mr S's permission, they then proceeded to perform a remote connection to the car and carry out a diagnostic on it. From an email chain our service has seen between the dealership and Mr S, I have noted the email said:

"... following the remote diagnostics conducted by our Workshop Controller yesterday, it appears there is an issue with the handbrake..."

I'm particularly mindful of the word "appears" in the email extract above. I have inferred from it, that while there may be an issue with the handbrake, it hadn't been confirmed at that point. The email went on to suggest an appointment should be scheduled for the car to be inspected.

My understanding is that the car wasn't inspected at the time, for various reasons. Mr S says he made attempts for the car to be investigated, but appointments were either never booked as promised by the dealership, or a courtesy car wasn't supplied. On the other hand, BMWFS believe they made adequate attempts, and that Mr S was not allowing for the car to be viewed.

I think both parties are at fault somewhat for the car not being inspected at the time. I can see Mr S's frustration of not being provided a courtesy car when required. But, on the other hand, I don't think Mr S had mitigated his own circumstances. For example, I don't think it is unreasonable for BMWFS or the supplying dealership to ask for the car to be inspected by themselves or by one of their dealership branches. I also don't think it was fair that on occasions, Mr S arrived at the dealership with little notice given, close to the festive period, expecting issues to be sorted. It might have been difficult for the dealership to source a courtesy car within such a short timeframe.

Following our service's involvement, the car was recently inspected in September 2025 and the job card for the works carried out said:

"... run test module relevant to fault where it states the fault is currently not present and is not a malfunction... delete fault entry and confirm no faults present. Carry out function test and confirm the handbrake and hill assist works correctly."

I have inferred from the comments above that BMWFS and the supplying dealership do not believe there to be a fault with the handbrake. And I'm persuaded by what has been supplied

here. While I appreciate what Mr S says, the evidence supplied suggests otherwise. So, from what I have seen, I'm not satisfied there is a fault in relation to the handbrake.

Turning my attention now to the electrical issue and the infotainment screen freezing. Mr S has supplied videos which he believes shows the car having connectivity issues with his mobile phone, as well as the screen being unresponsive for a short period.

From the videos alone, I'm not satisfied there is a significant fault which makes the car of unsatisfactory quality. Some of the videos show voice command prompts being made by Mr S – and those prompts not being recognised by the car. They appear to show a connectivity issue between the car and a mobile phone. Another video also shows that the touch screen was unresponsive when certain buttons were pressed for a brief period. While I am not an expert mechanic or technician, like any product which has electrical components, sometimes, a simple software reset or update may resolve the issue. And so may deleting Mr S's phone from the car's history and starting the process again to reconnect it. But in any event, from the limited information supplied, I'm not satisfied there is a fault with the car in relation to the infotainment screen.

In summary, I'm not satisfied there is a fault with the car. And so, I do think it was supplied of satisfactory quality.

Misrepresentation in relation to the car's subscription service

Mr S complains that it wasn't disclosed to him that the car was supplied with a subscription package. He says he asked the sales agent whether the car was supplied with an active subscription and was told it wasn't. Mr S complains that he was only made aware once he received an email notifying him that a trial subscription service was coming to an end, and that payment was required to continue to receive certain services.

I have carefully considered what Mr S has told our service here, alongside what BMWFS has said.

When considering what's fair and reasonable, I take into account relevant law, regulations and guidance. Section 56 of the Consumer Credit Act 1974 ("S56") is relevant to this complaint. S56 explains that, under certain circumstances, a finance provider is liable for what was said by a credit broker or supplier before a credit agreement is entered into. I'm satisfied S56 applies here. So, I can consider what Mr S says he was told about the car and finance by the dealer before he entered into the contract.

What I need to consider here is whether the car was misrepresented to Mr S. A misrepresentation would have taken place if Mr S was told a 'false statement of fact' about the car, and this induced him into entering into the contract to acquire it when he otherwise would not have.

I haven't seen any evidence from before the car was supplied, between Mr S and the dealership, in relation to Mr S being told that the car didn't have an active subscription attached to the car. And so, I can't say with certainty that a false statement of fact was made – and so it follows that I don't think a misrepresentation was made in relation to the car's subscription service.

Having said that, the dealership offered to reimburse Mr S the equivalent of the cost of the subscription service for two years. This would in my opinion, in effect, resolve the issue about the car having a subscription service to access certain services. It is also worth noting that the subscription in question here is an optional service which provides some additional features, but it is not required to drive or operate the car.

As I can't reach the conclusion that a misrepresentation was made from the limited information, I think BMWFS's offer here is fair. And I would suggest Mr S contacts the dealership or BMWFS directly to see if this offer is still available."

Responses to the provisional decision

BMWFS accepted my provisional decision.

Mr S responded with a detailed response. I have summarised some of the points below.

- Mr S strongly believed the supplying dealership admitted they told him that the car did not have any active subscriptions.
- Mr S referred to the CRA on occasions and that it allowed the lender one attempt at repair at no cost or inconvenience to him. Mr S believed he gave BMWFS that opportunity as he had asked them on several occasions to collect the car.
- Mr S believed that there was a fault with the car as the notes from the September 2025 job sheet said, "*delete fault entry*".
- Mr S disagreed with my findings in my provisional decision where I explained how I thought both parties were at fault somewhat for the car not being inspected sooner.

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 not persuaded to change my outcome from what I reached in my provisional decision. And I'll explain why below.

Mr S strongly believed the supplying dealership admitted they told him that the car did not have any active subscriptions.

While I appreciate what Mr S says here, the submissions made by BMWFS don't suggest they admitted to giving incorrect information. Mr S says he didn't want a reimbursement of the subscription and simply didn't want any subscription-based car. To be clear, if Mr S does not want the benefit of the additional services the subscription provides, at no cost to himself for two years, then he does not need to accept this offer made, and the car will effectively be a car with no subscription.

I also want to make it clear to Mr S that while I'm not satisfied a misrepresentation had occurred on this occasion, in any event, I think the offer made of reimbursing him for the subscription service is enough to put things right. This would in my opinion, in effect, resolve the issue about the car having a subscription service to access certain services, as it would provide him the benefit of those services, without a cost to him.

So, while I haven't had the opportunity to listen to the calls Mr S has referred to in his submissions, I don't think I need to, as in any event, the offer BMWFS has made is fair in the circumstances.

Mr S referred to the CRA on occasions and that it allowed the lender one attempt at repair at no cost or inconvenience to him. Mr S believed he gave BMWFS that opportunity as he had asked them on several occasions to collect the car.

To be clear, the CRA gives a lender one attempt at repair, but this is in certain conditions and if his statutory rights under the contract had not been met i.e. if there was a fault with the

car which meant it wasn't supplied of satisfactory quality. But as I already explained, I do think the car was supplied of satisfactory quality as there isn't a confirmed fault with the car. Mr S was attempting for his car to be collected to be diagnosed and inspected, not for it to be repaired.

Mr S believed that there was a fault with the car as the notes from the September 2025 job sheet said, "*delete fault entry*".

While I appreciate Mr S's comments here, I have inferred from the notes made on the proforma/job sheet, that this was in relation to a fault code stored on the car. A fault code does not mean there is a confirmed fault with the car, but rather that a potential issue exists, which needs to be investigated. On this occasion, once the code was cleared, no fault could be found.

Mr S disagreed with my findings in my provisional decision where I explained how I thought both parties were at fault somewhat for the car not being inspected sooner.

As I explained previously, it is disappointing that Mr S was not provided a courtesy car when required, especially when pre-arranged visits had been scheduled. I don't dispute what Mr S says here. But, equally, I am also aware of instances where Mr S preferred for the car to be inspected by a third-party, who wasn't the supplying dealership. I don't think it was unreasonable for the dealership to request to have the car diagnosed by themselves.

Mr S made several further points. And while I haven't commented on each point individually, I mean no discourtesy to him for not doing so. I think my findings I made in my provisional decision address those points and so I will make no further comments or findings about them in this decision.

Mr S has suggested he may have further information to provide once a subject access request has been processed, especially in relation to what he believes to be a misrepresentation made. However, I'm satisfied I have enough information at hand to reach a decision. I say this because, even if I was to conclude a misrepresentation was made, I'm satisfied that the offer made in reimbursing the cost of the subscription is enough in this instance to put things right.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require BMW Financial Services(GB) Limited to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 November 2025.

Ronesh Amin
Ombudsman