

The complaint

Mrs D complains that a car that was supplied to her under a hire purchase agreement with BMW Financial Services (GB) Limited, trading as Alphera Financial Services, wasn't of satisfactory quality.

What happened

A used car was supplied to Mrs D under a hire purchase agreement with Alphera Financial Services that she electronically signed in September 2024. The price of the car was £33,755 and Mrs D agreed to make 48 monthly payments of £650.24 to Alphera Financial Services. There was also an optional final payment of £16,258.

Mrs D complained to Alphera Financial Services about issues with the car in November 2024. She said that she was rejecting the car and she had cancelled her direct debit. A manufacturer's dealer confirmed in December 2024 that the fusebox and both batteries had gone and the dealer said that it would assist with the repairs through its warranty company. Mrs D didn't want the car repaired and bought another car and she referred her complaint to this service in January 2025.

Alphera Financial Services issued its final response to Mrs D's complaint in April 2025. It partially upheld her complaint but said that it was unable to support rejection, so she should contact the dealer to discuss the repairs and collection of the car. It apologised for the issue with the car and offered Mrs D £250 for the distress and inconvenience caused.

Mrs D then complained to Alphera Financial Services about the adverse information that it had reported to the credit reference agencies about the hire purchase agreement. It responded to that complaint in July 2025 and said that Mrs D's account fell into arrears in December 2024 and that all subsequent instalments had been unsuccessful. It said that it had followed the correct process in reporting the missed payments, but to acknowledge that there had been a delay in responding to her complaint, it offered her £100 as a gesture of goodwill.

Mrs D's complaint was looked at by one of this service's investigators who, having considered everything, didn't think that Alphera Financial Services had acted fairly. She was persuaded that the car wasn't of satisfactory quality when it was supplied to Mrs D and Alphera Financial Services had a right to one attempt at repairs. She thought that repair was a reasonable option and she recommended that Alphera Financial Services should: arrange for and cover the cost of the repairs to the car; give Mrs D £150, in addition to the £250 already offered, for the impact that this situation had had on her; and remove any adverse information from Mrs D's credit file in relation to the agreement. She's also said that Mrs D shouldn't be liable for payments due while the car was faulty and not with her, so Alphera Financial Services should write-off any arrears for the period that she was without the car, until the repaired car is returned to her. She said that it should also pay to Mrs D the £100 gesture of goodwill that it offered her.

Mrs D didn't accept the investigator's recommendation so I've been asked to issue a decision on her complaint. She says that she doesn't want the car back, even if repaired, as

she's purchased another car, it's far too long to be expecting a repair and the car's been with the manufacturer's dealer for so long because Alphera Financial Services refused to repair it. Alphera Financial Services has asked for the estimates of the repair costs and has provided comments from the dealer. It has confirmed that no compensation that it has offered to Mrs D has been paid to her.

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.

Alphera Financial Services, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mrs D. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mrs D was first registered in January 2021, so was about three and a half years old, the hire purchase agreement says that its mileage was 59,748 miles and the price of the car was £33,755. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time, but exactly how long that time is will depend on a number of factors.

Mrs D says that the car has never charged since it was supplied to her and Alphera Financial Services says that a manufacturer's dealer has confirmed that the fusebox and both batteries have gone. There doesn't seem to be any dispute that there were faults with the car when it was supplied to Mrs D and I consider that those faults caused the car not to have been of satisfactory quality at that time.

Mrs D complained to Alphera Financial Services about the issues with the car in November 2024, nine weeks after the car had been supplied to her, and it said that the dealer would assist with the repairs through its warranty company. Mrs D wanted to reject the car and bought another car and it looks to me as though there were issues between her and the dealer which prevented the repair taking place. Alphera Financial Services said in April 2025 that Mrs D should contact the dealer to discuss the repairs and collection of the car.

Under the Consumer Rights Act 2015, I consider that Alphera Financial Services has the right to repair the car. I don't consider that it has unreasonably delayed the repair of the car and I'm not persuaded that it would be fair or reasonable in these circumstances for me to require Alphera Financial Services to allow Mrs D to reject the car. I consider that Alphera Financial Services should take the actions described below to put things right.

Putting things right

I find that it would be fair and reasonable for Alphera Financial Services to arrange and pay for the issues with the car, about which Mrs D has complained, to be repaired. Mrs D cancelled her direct debit in December 2024 and her account went into arrears. The car hasn't been repaired and Mrs D hasn't been provided with a courtesy car. I find that it would be fair and reasonable in these circumstances for Alphera Financial Services to write-off the arrears on Mrs D's account for the period until the repaired car is returned to her. I also find that it would be fair and reasonable for Alphera Financial Services to remove any adverse information about the hire purchase agreement that it's reported to the credit reference agencies from Mrs D's credit file.

The investigator thought that Alphera Financial Services didn't do enough to support Mrs D with this situation or mitigate the delays that she experienced while it was looking into her complaint which caused her distress and inconvenience. She recommended that it should

give Mrs D £150, in addition to the £250 already offered, for the impact that this situation had had on her. The dealer says that £400 compensation for distress appears unreasonable, given that Mrs D declined to follow the proper process once she had reported the fault that would have enabled it to resolve the issue promptly. I agree with the investigator that it would be fair and reasonable for Alphera Financial Services to pay compensation totalling £400 to Mrs D for the distress and inconvenience that she's been caused, which includes the compensation that it has already offered to her and that it should also pay to Mrs D the £100 that it offered to her as a gesture of goodwill. The total of those payments is £500.

My final decision

My decision is that I uphold Mrs D's complaint and order BMW Financial Services (GB) Limited, trading as Alphera Financial Services, to:

1. Arrange and pay for the issues with the car about which Mrs D complained to it in November 2024 to be repaired.
2. Write-off the arrears on Mrs D's account for the period until the repaired car is returned to her.
3. Remove any adverse information about the hire purchase agreement that it's reported to the credit reference agencies from Mrs D's credit file.
4. Pay £500 compensation to Mrs D, as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 17 December 2025.

**Jarrod Hastings
Ombudsman**