

The complaint

Mrs T complains that the car she acquired through BMW FINANCIAL SERVICES (GB) LIMITED, trading as Alphera Financial Services ("BMW"), wasn't of satisfactory quality. She wants to reject the car and cancel the finance agreement.

Mrs T is represented in her complaint. For ease of reading, all submissions made by both Mrs T and her representative will be referred to as having been made by Mrs T.

What happened

Mrs T entered into a hire purchase agreement in November 2024 to acquire a used car. The cash price of the car was £29,994, and after taking account of the advance payment, the amount of credit provided was £25,995. The total repayable was £34,681, and was to be repaid through the credit agreement which was set up over a 48-month term with monthly payments of £420.21. At the time of acquisition, the car had already been driven nearly 55,000 miles and was nearly six years old.

Mrs T told us:

- When she acquired the car, she was told that it came with an extended warranty provided by the manufacturer, and this would be registered in her name upon completion of the sale;
- in February 2025 she was driving on the motorway, and the car broke down and she was stranded and needed the services of a third-party roadside recovery firm;
- the car was taken to a garage associated with the manufacturer and diagnostics identified around 20 mechanical issues including a need to entirely replace the gearbox;
- she complained to the supplying dealership but was told it wasn't their problem as she'd driven 6,000 miles;
- that same week, she complained to BMW, and it responded after around eight weeks, saying it had spoken with the supplying dealership and the car should be repaired under warranty;
- she told BMW this wasn't possible as the warranty that should've been transferred to her had not been registered correctly and could not be honoured by the manufacturer;
- she's been paying for a car that she can't drive and is having to use public transport to travel to work;
- the car is not fit for purpose, and she wants to reject it and unwind the credit agreement.

BMW partially upheld this complaint. It said it couldn't uphold a complaint about the warranty because the advert for the car made no reference to an extended warranty from the manufacturer. But it did uphold Mrs T's complaint about the quality issues with the car, and it explained that it had confirmed with the supplying dealership that the repairs are covered by the warranty the supplying dealership provided, or alternatively, the supplying dealership would undertake the work at no cost to Mrs T. And it asked Mrs T to liaise with the supplying dealership so that the repairs could be undertaken because *"they have the right to repair"*.

BMW also offered Mrs T £150 in recognition of the distress and inconvenience that she'd suffered.

BMW provided this Service with correspondence from a dealership and advised that the car was inspected in February, and repairs could've been completed at this time, but these were declined by Mrs T. BMW confirmed that repairs to the gearbox were approved by the manufacturer on 7 February 2025 under a warranty and at no cost to Mrs T, but it advised that Mrs T instructed that no repairs should be undertaken.

Our investigator looked at this complaint and said that he didn't think it should be upheld.

He explained that in order to uphold a complaint about the car being mis-sold because Mrs T was misled about the existence of an extended warranty, he'd need to be satisfied that a *false statement of fact* had been made, and that this false statement of fact induced her into acquiring the car. But he said he'd reviewed the car advertisement, and he'd noted there was no mention of a manufacturer's extended warranty, and no other evidence of a false statement of fact that could reasonably have induced the purchase of the car.

He said in view of the short time that Mrs T had driven the car before it broke down and faults were diagnosed – around 6,000 miles in just three months – he didn't think the car was of satisfactory quality. And he explained the relevance of the Consumer Rights Act 2015 ("CRA") in the circumstances of this complaint, in particular the remedies available in this type of situation.

Our Investigator explained that after the first 30 days since acquisition, a consumer's short-term right to reject no longer applies. And that under the CRA, the supplier of the goods, in this case BMW, has a right to attempt a repair in a reasonable time and without significant inconvenience to the consumer – but it was not reasonable for the consumer to frustrate an attempt to repair.

Our Investigator noted that repairs had eventually been completed, and he'd seen no evidence that they had not been successful. He concluded that Mrs T had no right to reject the car.

Mrs T disagrees so the complaint comes to me to decide. She says:

- the dealership verbally assured her that the car came with an extended warranty, which influenced her decision to purchase the car.
- Less than three months after purchase, the car broke down on the motorway and 19 faults were diagnosed including a leaking gearbox oil cooler pipe.
- The vehicle was off the road for 3–4 months, causing financial and personal hardship.

She wants to reject the car; have all sums paid to date refunded; and have the credit agreement unwound.

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 agree with our investigator – I don't think this complaint should be upheld – and I'll explain why.

I hope that Mrs T won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mrs T should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Mrs C is a regulated consumer credit agreement this Service is able to consider complaints relating to it. BMW is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Mrs T was of satisfactory quality or not.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless BMW can show otherwise. But, if the fault is identified after the first six months, then it's for Mrs T to show the fault was present when she first acquired the car. So, if I thought the car was faulty when Mrs T took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask BMW to put this right.

I don't think there's any dispute that Mrs T has experienced problems with the car. That has been well evidenced by both her testimony and the information she's sent us. And it seems that there's no disagreement from BMW about this. So, in view of this, along with the fact that the car had only been supplied to Mrs T some three months before it broke down, I think it's safe to conclude that the fault was present or developing at the point of supply and the car was not of satisfactory quality when it was supplied.

Under the CRA, because the car had a fault within the first six months, BMW is entitled to an opportunity to repair it. And Mrs T's decision to decline repairs, for reasons that I understand, prevented BMW from exercising its right to repair as soon as it would've liked. But I can't hold it responsible for the delays in the car being repaired.

The legislation goes on to say that if repairs fail the consumer should be allowed to reject the car. I understand the repairs have now been completed – and I've seen nothing to suggest to me that the remedial work hasn't been completely successful. So, on the basis that the car has been successfully and fully repaired, I don't think it would be right to direct BMW to accept rejection of it. I'm satisfied that BMW, through the actions of the supplying dealership, has done what it needed to do in the circumstances.

Now, it may well be the case that Mrs T does not have full confidence in the repairs, or she fears that other faults may manifest themselves in the future. In this situation, it would be for Mrs T to instruct a recognised independent engineer to inspect the car.

In the event an independent engineer concluded that the repairs had not been successful - they'd not addressed the original fault, or alternatively, the engineer identified further faults that were likely present or developing at the point of supply, then Mrs T could bring a new complaint directly to BMW. In these circumstances, most businesses would accept rejection of the vehicle and may reimburse their customer for the cost of the independent inspection.

I've gone on to consider what Mrs T says about the mis-sale of the car – that she was told it came with an approved extended warranty, but I've simply found no evidence to support this. Understandably, there's no record of the discussions between Mrs T and the supplying dealership about what was said on the day she acquired the car.

In these situations where the parties do not agree about what was said, I look at the available evidence and reach my conclusions on the basis of what I think is *more likely* to be the case.

In this case, the most persuasive evidence is the advertisement for the car, and there's simply no reference to a warranty of any kind. And the hire purchase agreement that Mrs T took out with BMW makes no reference to any warranty being financed through it. So, on balance, I can't safely conclude that the supplying dealership made a false statement of fact that induced Mrs T into acquiring the car – there's simply no evidence of a mis-sale in this matter.

I know Mrs T will be disappointed with this decision, but I hope she understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 1 December 2025.

Andrew Macnamara
Ombudsman