

The complaint

Mr B complains that BMW Financial Services (GB) Limited, trading as ALPHERHA Financial Services (AFS), failed to handle his complaint appropriately, and failed to consider all reasonable alternatives prior to commencing legal action to repossess his car.

What happened

Mr B says that he took out a Hire Purchase agreement with AFS in March 2022. Unfortunately, he fell behind with payments and, in May 2024, advised AFS he had been made redundant. He says AFS started legal action to repossess his car before fully considering all alternative options to avoid this.

Additionally, Mr B says in 2025 he advised AFS of 4 vulnerability issues but it failed to properly acknowledge or consider these.

Mr B says AFS's actions have caused him significant distress and exacerbated ongoing medical conditions.

AFS said it tried, on numerous occasions, to contact Mr B about arrears on his account and sent him an income and expenditure form to set up a repayment plan which he didn't return. It did offer Mr B £250 for delays in handling his complaint.

Our investigator didn't uphold Mr B's complaint. She found AFS was entitled to end Mr B's agreement as he failed to respond to communications from AFS and failed to make the appropriate payment to avoid a default.

She acknowledged Mr B's need for a car but felt, that by the date of the default notice, his account arrears were such, that keeping the car wasn't a financially viable option. She felt AFS had tried to support Mr B with his vulnerability issues.

Finally, she felt that the £250 AFS offered was appropriate as she felt the delays in dealing with his complaint caused him distress and inconvenience,

AFS accepted this view, but Mr B didn't.

Mr B made several points which our investigator addressed in a second view as summarised below.

She found that AFS had given Mr B details of charities that could support him. It had attempted numerous times to contact Mr B and had acknowledged his vulnerability issues in its final response letter (fri). It had no obligation to right off accounts when a consumer had medical issues. It would be standard for information on an account to be removed from the online portal when agreements were terminated.

She did acknowledge AFS made an error in stating Mr B had missed 12 payments when Mr B showed he had made 3 of these payments. But this didn't change her view that arrears on the account were such AFS's actions in issuing a default were not unfair.

Finally she advised she couldn't comment on the veracity of advice provided by AFS's lawyer.

Mr B didn't accept this second view. He still disputed AFS had referred him to support charities, said AFS had no meaningful contact with him after a 'breathing space' ended in March 2025, ignored his vulnerability disclosures, ignored his request for a medical 'write off' of his account, falsely stated the amount of arrears on his account, removed documents from his online account and gave contradictory legal advice.

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.

Mr B feels strongly about his complaint, and I do understand that. He took out an agreement for a car that he needed. It's stressful for anyone to be made redundant and to deal with the financial consequences. Even more so in Mr B's case given the vulnerability issues he has shared with us.

The key issues for me to decide here are whether AFS acted appropriately in repossessing Mr B's car and taking the subsequent legal action and how it dealt with him during this process.

The agreement Mr B signed made it clear that missing payments may lead to the agreement being ended with the vehicle being recovered. So, Mr B would have been aware of the risk of not making payments.

I have carefully read AFS's customer contact notes. It's clear from these that AFS contacted Mr B numerous times from April through to December 2024 by email and phone. Mr B didn't respond to any of this contact other than in May 2024 when he advised AFS of his redundancy and from that contact it seems Mr B agreed to complete an income and expenditure form so a repayment plan could be considered. However Mr B didn't complete the form.

In this case I think AFS tried its very best to contact Mr B to support him. I am sympathetic to Mr B's vulnerability issues and these doubtless impacted his ability to deal with his account. However AFS was not aware of these issues during 2024 so it couldn't reasonably take these into account.

AFS respected a request from a government funded debt scheme to pause any action on Mr B's account from December 2024 to February 2025. When this period ended I can see from the customer notes it started the process to recover the car.

I agree with Mr B's, that at that point, contact seems to have been focussed on recovering the car. However, given Mr B's prior lack of engagement and the amount of arrears on his account I don't think AFS actions were unreasonable at this point. There was also an onus on Mr B to keep in touch with AFS.

However, In May 2025 Mr B shared details of his vulnerabilities with AFS and I can see these were tactfully noted in its customer notes. AFS sent an email to Mr B on 15 May 2025

saying it needed to recover the car to sell it to reduce Mr B's financial liability. Mr B would need to complete a voluntary surrender form, if he didn't AFS would need to take legal action. The email made no reference to any vulnerabilities. I felt this communication was somewhat harsh and unempathetic.

However I think this was offset by a much fuller communication the same day which did acknowledge Mr B's issues and that these had been considered. It also explained why it was taking the action it was. AFS felt as a responsible lender it needed to seek to reduce Mr B's financial liabilities given arrears were building up on his account. I don't feel that approach was unreasonable given AFS has to balance supporting customers with financial needs with being a responsible lender.

Whilst Mr B might not appreciate it, it is clear to me from the customer notes I have seen that his vulnerabilities were considered. However AFS felt that it was not financially viable to continue with the agreement. I would agree with that assessment given I have seen no evidence that Mr B was able to make good his arrears.

Considering all of the information I have seen I don't think AFS were wrong to end Mr B's agreement and recover his car. The terms of its agreement with Mr B allowed it to do this. I think it did take into account his vulnerabilities, but with no prospect of Mr B being able to make good the account and with arrears increasing I think it took a reasonable approach in ending the agreement. It wouldn't have been responsible to have allowed Mr B to continue to accrue arrears on the account.

I appreciate Mr B requested, for medical reasons, his account be written off – he doesn't feel this was considered. The request was noted in the customer notes so AFS was aware of it. I should make it clear that whilst we expect businesses to respond positively and sympathetically to consumers in difficulties this doesn't mean we expect them to write off accounts or allow consumers to keep vehicles with no payments being made.

Finally, I will consider some of the other points Mr B has made which I haven't covered already.

In terms of a referral to support organisations I haven't seen any evidence AFS said it would actually refer Mr B to support organisations and I wouldn't have expected it to do so. However the correspondence it sent had details of debt agencies and its fri letter gave details of mental health charities which Mr B could consider contacting.

I agree that Mr B's account wasn't in arrears for 12 months as during this time he did make 3 payments. However I agree with our investigator's view that the arrears were still significant enough for AFS to take the action that it did.

I appreciate not having access to all the documents on his online account might have caused Mr B some frustration and inconvenience. I understand information is removed when accounts are closed. I have no evidence Mr B's account was treated differently to any other customer in this regard. Mr B has provided us with very full information so I don't feel he has been disadvantaged by not having access to account documents.

In terms of conflicting information from AFS and its solicitor I haven't seen any evidence of this. It's unfortunate if AFS's solicitor misled Mr B about what action might be taken on his account but ultimately it was AFS decision as to what to do with Mr B's account and I have already explained I found its actions reasonable.

Finally, I have noted AFS offered Mr B £250 for the distress and inconvenience caused in the delay in responding to his complaint. In the circumstances I feel this offer by AFS is reasonable.

My final decision

My final decision is that I uphold this complaint .

In full and final settlement BMW Financial Services (GB) Limited, trading as ALPHERA Financial Services should, if it has not done so already , pay Mr B £250 for the distress and inconvenience caused by the delay in responding to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 November 2025.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 November 2025.

Bridget Makins
Ombudsman