

## The complaint

Mr G complains about the quality of a vehicle that was supplied through a motor finance agreement with BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services (Alphera).

## What happened

In February 2025, Mr G acquired a used car through a hire purchase agreement with Alphera. The car was around four years old and had travelled 25,575 miles when it was supplied to Mr G. The cash price of the car was £21,995. An advanced payment of £2,000 is listed, so the total amount financed on the agreement was £19,995 payable over 59 monthly repayments of £323.98 followed by an optional final repayment of £7,635.23.

Mr G complained that a few days after acquiring the car, he noticed a noise coming from the steering wheel. Mr G said the dealership attempted a repair, but the issue returned. After a second fix, the problem reoccurred. The dealership then advised Mr G to take the car to an independent garage, which was unable to identify the fault. Mr G said he wants to return the car and get a refund of his deposit.

In June 2025, Alphera issued their final response to the complaint which they didn't uphold. In summary it confirmed Mr G complained to them in April 2025 about an intermittent noise coming from the steering wheel. It confirmed that the dealership had checked the vehicle a few times and replaced the auxiliary belt. It said the noise is part of the normal running operation of the car. However, the dealership nor a specialist garage was able to replicate the fault and concluded it was likely to be a characteristic of the car.

However, to acknowledge their poor communication throughout the complaint, Alphera offered Mr G £150 in compensation.

Unhappy with their decision, Mr G brought his complaint to our service where it was passed to one of our Investigators to look into.

In October 2025, our investigator issued their view and recommended that Mr G's complaint should be upheld. In summary the Investigator considered that the evidence provided was compelling in its demonstration that the fault was present. The Investigator also considered as it was raised a number of times within the first six months from supply, the dealership's attempt to repair the issue amounted to a failed repair and so Mr G should be allowed to reject the car.

The Investigator concluded that Alphera should collect the car, end the agreement, refund ten percent of the monthly rentals to acknowledge the impaired usage, refund Mr G's deposit and pay him £250 in compensation for the distress and inconvenience caused.

Mr G accepted the Investigator's recommendation, however, Alphera didn't. They said they haven't seen any evidence that the noise persisted past the point of the rectification by the dealership. However, as the Investigator's view remained unchanged, the complaint has been referred to an ombudsman for a final 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr G complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr G's complaint about Alphaera. Alphaera is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

My starting point is that Alphaera supplied Mr G with a used car that had travelled 25,525 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage which may impact its overall quality and reliability, so there'd be an increased likelihood of unforeseen problems surfacing sooner than in a new vehicle.

Having said that, the car was priced at £21,995 which isn't insignificant. It also wasn't a particularly old vehicle. So, I think it is fair to say that a reasonable person would expect it could offer a reasonable duration without any major issues.

From the information provided I'm satisfied there was a noise coming from the steering wheel. I don't consider this point is in dispute. Mr G has been reasonably clear that an intermittent noise is present and although the dealership was unable to replicate the fault, it was acknowledged by them that the noise existed from the evidence they'd seen from Mr G, to the extent that they carried out some repair attempts to fix the issue, having applied lubrication and replaced the auxiliary belt. In their final response Alphaera also acknowledged the noise by stating "*the noise heard is part of the normal running operation of the car*"

Having considered there was a noise coming from the steering wheel, it seems to me there are two key issues for me to consider in relation to this complaint:

1. Was the car of satisfactory quality when supplied?

2. If not, what should Alphera do to put things right?

### *Satisfactory quality*

Mr G said he reported a noise soon after being supplied the car. This is consistent with the comments from the dealership which advised the vehicle was brought in to them twice in March 2025. This was around a month after Mr G was supplied the car.

In response to the Investigator's view, Alphera said: *"I have not seen evidence the noise persists past the aforementioned rectifications made"*

However, the statement acknowledges that a noise was present. Considering it was described as being intermittent, it's plausible that the dealership or specialist garage was unable to replicate it over a short period. So, although I've seen no expert evidence that the noise exists, I'm satisfied it was present and intermittent in nature as described by Mr G.

Having considered all the evidence provided and given the age and mileage of the car when it was supplied to Mr G, I don't think it's reasonable that Mr G should have to put up with the noise. I also don't consider Mr G should have to accept it as a characteristic, particularly when it doesn't appear to apply to all models of the same vehicle. It follows that I don't consider the car was of satisfactory quality when it was supplied to Mr G.

### **Putting things right**

As I've concluded that the car wasn't of satisfactory quality when it was supplied, Alphera will need to put things right.

The CRA says that a firm should have the opportunity to repair the faulty goods. The dealership has confirmed the works they've already carried out to repair the issue, however I'm satisfied that these have not fixed the problem. Mr G has provided further video evidence to demonstrate the issue persists.

Under the CRA Mr G has a right to reject the vehicle, which I think is fair in the circumstances. So, I'll be instructing Alphera to end the agreement and collect the car. They should also refund to Mr G his deposit paid.

Mr G has had to deal with the noise on a regular basis while driving the car so I'm in agreement with our investigator that a 10% refund of the monthly repayments he's made towards the agreement is a fair reflection of the impaired usage he's experienced.

To acknowledge the distress and inconvenience Mr G has experienced as a result of the fault, I'll also be instructing Alphera to pay him £250 in compensation.

### **My final decision**

My final decision is that I uphold Mr G's complaint about BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services to:

- collect the car at no additional cost to Mr G
- end the agreement
- refund the deposit Mr G paid (if any part of this deposit is made up of funds paid through a dealer contribution, BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services is entitled to retain that proportion of the deposit)
- pay Mr G £250 in compensation for the distress and inconvenience caused

- remove any adverse information that may have been recorded with the credit reference agencies in respect of the damage.

BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services should pay 8% yearly simple interest on all refunds calculated from the date of payment to the date of settlement.

If BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr G how much it's taken off. It should also give Mr G a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 January 2026.

Benjamin John  
**Ombudsman**