

The complaint

Mr P complains that a car acquired under a hire purchase agreement with BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services ('ALPHERA') wasn't of satisfactory quality.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Mr P acquired a car under a hire purchase agreement in June 2024; the car was about three years old and had done around 35,000 miles.

In November 2024 Mr P reported concerns of a noise coming from the vehicle, the car was looked at by the supplying dealership, but no fault could be found.

Mr P complained to ALPHERA in April 2025 – it issued its final response letter in June 2025. In short it didn't uphold the complaint; it acknowledged that the noise Mr P complains of was confirmed but it said in order to review the issue further it'd require a diagnostic of the fault.

The complaint was referred to this Service. Our Investigator considered things but didn't uphold the complaint for similar reasons. Both parties have had sight of these findings, so I won't repeat them in detail here. In summary he didn't think he could make a finding on whether the car was of satisfactory quality given that no fault had been found.

Mr P disagreed, so as an agreement couldn't be reached the complaint has been passed to me to decide.

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've reached the same overall conclusions as our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr P, but I will explain my reasons below.

The hire purchase agreement entered into by Mr P is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. ALPHERA is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr P entered. Because ALPHERA supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality at the point of supply.

It's not disputed that Mr P has experienced some issues with the car, and the car has been to two different garages, both of which confirm there is a noise coming from the vehicle. But just because there is a confirmed noise, this doesn't in itself automatically make the car of unsatisfactory quality.

I'm satisfied Mr P's car was taken to a garage in November 2024, a noise was confirmed but the mechanic was unable to locate a fault and so waived the charges. The noise persisted and so Mr P took the car to another garage in January 2025 who also confirmed a noise was present, but it was unable to locate a fault.

A complaint was then made in April 2025 at which point Mr P had the vehicle for almost a year and completed around 10,000 miles since inception. This is important to note as some of the issues may have arisen or become apparent during this time, and they may not have been present or developing at the point of supply.

I'd be looking for some evidence that the noise Mr P complained of in November 2024 and later in January 2025 was because of the car failing prematurely. Neither party has provided a report from a garage or independent engineer confirming a fault.

Based on what I've seen, on the balance of probabilities, I'm not satisfied there is evidence that shows that the issues Mr P encountered resulted from a fault that was present or developing at the point the car was supplied to him. And the mileage figures I've been told indicate Mr P was able to make full use of the car whilst it's been in his possession.

It follows I'm unable to say that there's enough evidence to show that there was a fault with the car. So, I'm unable to say the car was of unsatisfactory quality and I'm therefore unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 January 2026.

Rajvinder Pnaiser
Ombudsman