

## The complaint

Mr M is unhappy that a car supplied to him under a hire purchase agreement with BMW Financial Services (GB) Limited trading as Alphera Financial Services ('BMWFS') was of an unsatisfactory quality.

Mr M has been represented during the claim and complaint process by Mrs M. For ease of reference, I will refer to any comments made, or any action taken, by either Mr M or Mrs M as "Mr M" throughout the decision.

## What happened

The complaint circumstances are well known to both parties, so I don't intend to list this chronologically and in detail. However, to summarise, in January 2022, Mr M was supplied with a used car through a hire purchase agreement with BMWFS. He paid an advance payment of £7,600 and the agreement was for £38,412.66 over 48 months; with 47 monthly payments of £563.38 and a final payment of £19,818. At the time of supply, the car was just over two years old and had done 24,751 miles (according to the vehicle invoice).

Mr M started to have problems with the car from December 2023, when a park brake motor issue was diagnosed. The turbo failed in June 2024 and was replaced, along with the battery, and sensors had to be replaced in September 2024. The car then broke down again in February 2025, and, in May 2025, the wiring harness had to be replaced, and the battery needed replacement again. Due to the ongoing issues, Mr M voluntarily terminated the contract in July 2025.

Unhappy with what had happened, Mr M complained to BMWFS. However, they didn't uphold this complaint due to the time Mr M had had the car, the mileage it had done, and because there was no evidence the car was faulty when it was supplied. So, Mr M brought the matter to the Financial Ombudsman Service for investigation.

While our investigator said there had been some issues with the car, because it had passed an MOT in November 2022, November 2023, and November 2024, they thought the car was sufficiently durable when it was supplied. They also said that the issues with the car were due to normal wear and tear and, as such, BMWFS weren't responsible.

Mr M didn't agree with the investigator's opinion. He didn't think the car was sufficiently durable when it was supplied, and that it wasn't reasonable to have to expect to replace the turbo and wiring harness in a car that had done less than 50,000 miles.

I issued a provisional decision on 10 December 2025, where I explained my intention to uphold the complaint. In that decision I said:

*If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.*

*In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.*

*The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, BMWFS are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.*

*The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless BMWFS can show otherwise. So, if I thought the car was faulty when Mr M took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask BMWFS to put this right.*

*Mr M was supplied with the car in late January 2022 when it had done 24,571 miles. It passed an MOT on 23 November 2022 at 32,205 miles and was serviced on 10 January 2023 at 33,000 miles. The car passed a further MOT on 23 November 2023 at 40,953 miles.*

*Mr M has said that, due to electrical issues with the car, and following advice from a breakdown company, he took the car to a local garage for diagnosis. On 23 December 2023 the garage completed a service and diagnosed a park brake motor issue. The cost of the diagnosis was £45, and Mr M has said the car had done 41,336 miles at the time. While the service invoice doesn't specify the mileage, based on the mileage record I've seen I have no reason to doubt Mr M's testimony on this.*

*The car broke down on 21 June 2024 at 45,610 miles. The car was diagnosed as having a turbo failure on 10 July 2024, at a diagnostic cost of £147. Mr M also paid £75 for the recovery of the car. The car was repaired, with a replacement battery and turbo being fitted, on 6 August 2024, at a cost of £4,123.07. The car was also serviced at this time.*

*Based on this evidence, I'm satisfied the car was off the road and undrivable between 21 June and 6 August 2024.*

*On 3 September 2024, an O<sub>2</sub> sensor needed replacing, and the car passed another MOT on 13 November 2024, when it had done 49,094 miles.*

*The car broke down again on 3 February 2025, and Mr M paid £90 to have the car recovered to the supplying dealership. The dealership replaced the ABS sensor on 5 March 2025, at a cost of £272.77; replaced the battery on 21 April 2025 at a cost of £686.66; and replaced the wiring harness on 2 May 2025 at a cost of £1,939.03. The mileage on all of these invoices is 51,282 miles. I'm therefore satisfied that the car was off the road and undrivable between 3 February and 2 May 2025.*

*Mr M returned the car to BMWFS on 20 June 2025, and a voluntary termination was processed. As Mr M had paid more than 50% of the total amount payable under the agreement at this point, there was no further payment due. BMWFS then disposed of the car, which means that it's no longer available for an independent inspection.*

*As the faults with the car started more than six months after it was supplied to Mr M, the CRA implies that the car was of a satisfactory quality when it was supplied – unless it wasn't sufficiently durable. As such, I've considered the durability of the car.*

*The car was supplied to Mr M with a full service history. While the manufacturer's handbook says that "the flexible service on your vehicle takes into account individual driving styles and conditions to determine when and what type of service is due", the manufacturer still recommends that the car is serviced every 21,000 miles or two years, whichever is sooner.*

*As I've stated above, Mr M had the car serviced three times while it was in his possession, and none of the service intervals exceeded 21,000 miles or two years. So, based on what I've seen, I'm satisfied that Mr M kept the car in good condition.*

*While something like an O<sub>2</sub> sensor could potentially fail at any time, a turbo on a well-maintained car of this make and model of car is expected to last in excess of 100,000 miles. What's more, a wiring harness is also expected to last more than 100,000 miles, and an earlier failure is an indication of a fault. As the turbo failed at 45,610 miles, and the wiring harness failed at 51,282 miles, I'm satisfied these failures happened substantially before any reasonable person would reasonably expect on a well-maintained car. As such, I'm satisfied this made the car insufficiently durable when it was supplied to Mr M, and therefore of an unsatisfactory quality. So, BMWFS need to do something to put things right.*

*The car was off the road and undrivable between 21 June and 6 August 2024, and again between 3 February and 2 May 2025. I haven't seen anything to show me that Mr M was provided with a courtesy car during these periods, so he was paying for goods he was unable to use. As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as BMWFS failed to keep Mr M mobile; unless they can provide evidence that Mr M was provided with a courtesy car, I'm satisfied they should refund the payments he made during this period.*

*Mr M has also incurred the following costs in recovering, diagnosing, and repairing the car:*

- *June 2024 - £75 recovery costs*
- *10 July 2024 - £147 diagnostic cost for turbo failure*
- *6 August 2024 - £4,123.07 turbo repair costs*
- *February 2025 - £90 recovery costs*
- *5 March 2025 - £272.77 attempted repair costs*
- *21 April 2025 - £686.66 attempted repair costs*
- *2 May 2025 - £1,939.03 wiring harness repair costs*

*Given that the car wasn't of a satisfactory quality when supplied, I think it's only fair that BMWFS reimburse these costs.*

*Finally, I think Mr M should be compensated for the distress and inconvenience he's been caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available. And, as Mr M is the sole customer of BMWFS, I can only consider the direct impact on him, and not any impact on his family members.*

*Having considered this, I intend to ask BMWFS to pay Mr M an additional £300. I think this is significant enough to recognise the worry and upset Mr M would've felt by being supplied with a car that wasn't sufficiently durable, had multiple breakdowns due to its lack of durability, and by the need to eventually hand the car back due to the complete loss of confidence he had in it.*

Therefore, I intend to ask BMWFS to:

- *treat the agreement as being ended due to the car being rejected as it was of an unsatisfactory quality instead of it being voluntarily terminated;*
- *remove any adverse entries relating to this agreement from Mr M's credit file;*
- *refund the deposit Mr M paid (if any part of this deposit is made up of funds paid through a dealer contribution, BMWFS is entitled to retain that proportion of the deposit);*
- *unless BMWFS can provide evidence that Mr M was provided with courtesy cars during these periods, refund the payments Mr M paid between 21 June and 6 August 2024, and between 3 February and 2 May 2025;*
- *upon receipt of proof of payments, reimburse Mr M for the recovery, diagnostic, and repair costs specified above*
- *apply 8% simple yearly interest on the refunds/reimbursements, calculated from the date Mr M made the payments to the date of the refund<sup>†</sup>; and*
- *pay Mr M an additional £300 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (BMWFS must pay this compensation within 28 days of the date on which we tell them Mr M accepts my final decision. If they pay later than this date, BMWFS must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).*

*<sup>†</sup>If HM Revenue & Customs requires BMWFS to take off tax from this interest, BMWFS must give Mr M a certificate showing how much tax they've taken off if he asks for one.*

## **Responses**

Mr M accepted my decision with no further comments.

BMWFS chose not to respond to my provisional decision. Nor did they provide any evidence that Mr M had been provided with a courtesy car during the periods stated in my provisional 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.

As BMWFS haven't said anything to the contrary, I'm taking their lack of comments to mean they don't object to my provisional decision. Given this, I see no compelling reason why I shouldn't now adopt my provisional view as my final decision.

## **Putting things right**

For the reasons stated in my provisional decision and above, if they haven't already, BMWFS should:

- *treat the agreement as being ended due to the car being rejected as it was of an unsatisfactory quality instead of it being voluntarily terminated;*
- *remove any adverse entries relating to this agreement from Mr M's credit file;*
- *refund the deposit Mr M paid (if any part of this deposit is made up of funds paid through a dealer contribution, BMWFS is entitled to retain that proportion of the deposit);*

- refund the payments Mr M paid between 21 June and 6 August 2024, and between 3 February and 2 May 2025;
- upon receipt of proof of payments, reimburse Mr M for the recovery, diagnostic, and repair costs specified above
- apply 8% simple yearly interest on the refunds/reimbursements, calculated from the date Mr M made the payments to the date of the refund<sup>†</sup>; and
- pay Mr M an additional £300 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (BMWFS must pay this compensation within 28 days of the date on which we tell them Mr M accepts my final decision. If they pay later than this date, BMWFS must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

<sup>†</sup>If HM Revenue & Customs requires BMWFS to take off tax from this interest, BMWFS must give Mr M a certificate showing how much tax they've taken off if he asks for one.

### **My final decision**

For the reasons explained, I uphold Mr M's complaint about BMW Financial Services (GB) Limited trading as Alphera Financial Services. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 January 2026.

Andrew Burford  
**Ombudsman**