

The complaint

Mr A complains that BMW FINANCIAL SERVICES (GB) LIMITED trading as BMW Financial Services (BMWFS) unfairly terminated his finance agreement.

What happened

In February 2022 Mr A acquired a car at a cost of £15,495.00. This was funded by a hire purchase agreement with BMWFS over 48 months with monthly payments of £349.

In December 2023 Mr A encountered financial difficulties due to being made redundant and he emailed BMWFS. In September 2024 he entered into a payment arrangement with BMWFS to address the arrears. It was agreed the payment arrangement would be reviewed again in December 2024. By this time his arrears amounted to £1,345.

He has told this service that he spoke with BMWFS in December 2024 who said that provided the outstanding arrears were repaid before the end of agreement (Feb 2026), there would be no problem.

In January 2025 BMWFS asked Mr A for an income and expenditure assessment to assess his financial situation. They also sent emails and left messages asking Mr A to contact them to discuss the account. Mr A has said he tried to return calls, but he was unable to get through.

On 12 February 2025 BMWFS spoke to Mr A, but he was unable to take the call and said he would call back. BMWFS followed this up with a message on Mr A's phone and sent a further email to him on 25 February 2025 asking him to contact them.

On 7 March 2025 BMWFS called again and left another message and sent a further email asking Mr A to call back. This email confirmed his agreement was at risk of default because of the level of arrears outstanding. Further messages were left and an email sent on 14 March 2025.

On 26 March 2025 BMWFS spoke to Mr A and he explained he was at work and agreed to call them back. This again was followed up with an email asking Mr A to call.

On 7 April 2025 due to the level of arrears and lack of contact from Mr A BMWFS issued a default notice. This said arrears of £1,345.00 needed to be repaid by 27 April 2025. If the arrears weren't repaid, the agreement was at risk of termination.

On 20 May 2025 BMWFS tried to contact Mr A again by phone to discuss the agreement. This was unsuccessful and due to the default notice not having been cleared and the lack of contact BMWFS terminated the agreement on 20 May 2024.

On 23 May 2025 Mr A contacted BMWFS to say he had received the termination notice and wanted to arrange a payment plan in order to keep the car, but this was too late. He explained he had been travelling between two properties and hadn't seen the default notice.

He made a complaint and said he believed he had been told that as long as the arrears were

cleared by the end of the agreement, he would be able to keep the car. BMWFS explained that would have been the case if a payment plan was in place actively repaying the arrears amount.

BMWFS issued their final response letter on 4 July 2025. They said they'd offered support and offered payment plans and debt advice on multiple occasions. They said they'd explained the implications of breaching the terms of the agreement and the contract had not been terminated correctly.

Mr A bought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. He thought BMWFS had acted appropriately and had treated Mr A with forbearance giving him the opportunity to repay his arrears.

Mr A didn't agree and said he had not received the default notice and noted he had not moved to his new address at that point. Mr A felt the problem was down to missed communications. He also said he had been led to believe that as long as he cleared his arrears by the end of the agreement all would be ok. He also explained his personal circumstances and he needed to keep the car to do his job.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr A that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

I have every sympathy with Mr A, but I do not believe I can uphold his complaint. I will explain why.

Firstly, I will address the issue of letters sent to Mr A by BMWFS. These were all sent to the correct address and not to his new one. This includes the default notice and subsequent letters. I have no reason to believe these were not received by Mr A. If one or more were not delivered I cannot hold BMWFS responsible for that given they were all correctly addressed.

I gather Mr A took comfort from a call in 2024 and believed that he simply had to pay off his arrears by the end date of the agreement. However, that was on the basis that he maintained the payments due under the agreement to repay his arrears. This he failed to do. I appreciate he made his regular payments, but this did not address his arrears.

He let BMWFS know he was made redundant in November 2023 and this had affected his finances resulting in arrears on the agreement. He agreed repayment plans however by September 2024, there were still arrears on the agreement. A further repayment plan was

agreed on 17 September 2024. The plan was to be reviewed in December 2024.

BMWFS sent numerous letters about the arrears and I believe Mr A was made aware of the situation. It also sought to speak to him on regular occasions, but with little or no success. It did all it reasonably could to engage with Mr A and to help him address his arrears, but finally it took the step of terminating the agreement. I note it even delayed the final termination by three weeks to give Mr A a final chance to address the problem. BMWFS followed the correct procedures and showed a great deal of forbearance before terminating the agreement and so I cannot say it did anything materially wrong.

I acknowledge the personal circumstances Mr A faces and his need for a car, but that does not mean I can say BMWFS did anything materially wrong in its handling of this matter.

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 Mr A to accept or reject my decision before 3 February 2026.

Ivor Graham
Ombudsman