

The complaint

Mr R complains about a car supplied under a hire purchase agreement, provided by BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services ('BMWFS').

What happened

Around August 2024 Mr R acquired a used car under a hire purchase agreement with BMWFS. The car is listed with a cash price of £21,999, was around five years old and had covered around 19,673 miles. Mr R paid a deposit of £4,500

Unfortunately, Mr R said the car soon developed faults. Mr R said the car's acceleration and gear changes were sluggish, it was jolting and almost stalling, and he said the car was using excessive fuel.

Mr R said the car was returned to the dealer, but it said it couldn't find a fault. Mr R says the issues persisted.

Mr R then says that, despite being sold with a full-service history, he found out the car hadn't been fully serviced as a transmission service had been missed. He explained this was then carried out in November 2024 after he complained to the dealer, but said the car continued to have issues and then wouldn't start.

Mr R complained to BMWFS in January 2025.

BMWFS wrote to Mr R in March 2025 and said it was still investigating the complaint. It explained to Mr R he had the right to refer the complaint to our service.

Mr R referred the complaint to our service. He explained the car was seen again at the dealer in March 2025 and further issues were noted.

BMWFS then issued a final response in April 2025. This said, in summary, that it had received a health check that showed no issues with the car. And it said it had spoken to the dealer who confirmed no issues were found in March 2025. BMWFS said it would arrange a payment of £125 due to the delay in responding.

Mr R remained unhappy and so our service began to look into things.

Our investigator issued a view and upheld the complaint. In summary, she explained she thought a health check from March 2025 showed the car had numerous issues with it and meant it was of unsatisfactory quality when supplied. She said Mr R should be able to reject the car and said BMWFS should pay him £350 to cover the distress and inconvenience caused.

BMWFS disagreed. In summary, it said Mr R had only provided evidence of faults from March 2025, which was a significant time after he acquired the car. It acknowledged the issue with the missing service but said this had been completed free of charge to Mr R in November 2024.

Our investigator explained this didn't change her opinion. She explained a garage had noted a 'poor air fuel ratio' and pressure issues following the transmission service. So, she said she still thought Mr R should be able to reject the car.

BMWFS disagreed. It said the outcome was disproportionate and unreasonable. Our investigator explained this didn't change her opinion.

As BMWFS remained unhappy, the complaint was passed to me to decide.

I sent Mr R and BMWFS a provisional decision on 27 October 2025. My findings from this decision were as follows:

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 initially think this complaint should be upheld in part. I'll explain why.

I should firstly explain to both parties that I might not comment on every individual point raised nor every piece of evidence. I want to reassure Mr R and BMWFS that I've carefully considered everything they have said and provided. But, I'm going to focus my decision on what I think are the key facts and the crux of the complaint. This reflects the informal nature of our service.

Mr R complains about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr R's complaint against BMWFS.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – BMWFS here – needed to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description. The CRA also explains that the durability of goods can be considered as part of satisfactory quality.

So, in this case I'll consider that the car was used, around five years old and cost around £22,000. It had also covered around 20,000 miles. So, I think a reasonable person would not expect it to be in the same condition as a newer, less road worn model. But I still think they would expect it to be free from anything other than minor issues and would expect trouble free motoring for a period.

What I need to consider in this case is whether I think Mr R's car was of satisfactory quality or not.

Mr R has consistently said the car feels sluggish, is slow to change gear, jolts and nearly stalls. He also mentioned the car uses excessive fuel. So, I've reviewed the available evidence to see what happened when the car was returned to the dealer.

I've seen a vehicle health check ('VHC') from July 2024 prior to Mr R acquiring the car. No issues were noted.

I've seen a job card dated 12 September 2024. This states:

“Acceleration seems sluggish with gears changing slightly delayed (could be a clogged or dirty filter, oxygen sensor or fuel injectors although I am not sure)”

High revs and delayed gear changes when in sports mode or comfort mode”

It’s key to note here that this text is written under “Instruction”. Having reviewed the evidence, the language used and the specific issues raised are in line with what Mr R said. So, I’m satisfied the above is setting out what Mr R was unhappy with – not the dealer noting any issues.

BMWFS has explained that the car was inspected, test driven by a mechanic and no fault was found at this point.

Another VHC was dated the next day on 13 September 2024. This noted a mileage of 21,200. This recorded no issues, all checks were marked green, and no notes were recorded. This seems to reflect what BMWFS said here.

And this seems further backed up by an email from the dealer referencing this point in time – “NO fault found with car”.

I’ve seen a further VHC from 4 November 2024. The mileage is noted as 23,442. There are ‘amber’ warnings given for two tyres, but otherwise no other issues are noted.

I’ve then seen a job sheet dated 24 March 2025. This states:

“The car is displaying symptoms of a leak to the engine coolant or has a sensor issue as the car continuously displays messages saying the car requires engine coolant top up.

The air to fuel ratio is off leading to excessive fuel usage, jolting, delayed acceleration, almost stalling after start/stop”

“Engine sounding funny when running idle. Either engine is gaining too much pressure too quickly or the engine is not gaining enough pressure.

High revs before changing gears (appears insufficient pressure to change gear when gaining speed which is leading to the car needing to produce higher revs to gain adequate pressure to change gear), jolting when slowing down (appears too much pressure before gearbox changes gear to a lower gear – leading to a jolt”

Similar to what I found above in relation to the previous job sheet, the text here is listed under “instructions”. The language and issues raised are again very close to what I’ve seen from Mr R. So, I’m again persuaded this is not the garage finding the issues Mr R complains about and is instead noting what Mr R is unhappy with. It’s specifically worth noting to both parties here that this is different to what our investigator thought.

A VHC was again completed, dated the following day on 25 March 2025. The mileage was noted as 28,472. This recorded issues with the brake pads, tyres and wipers and also said:

“Auxiliary belt is cracked and advise it is replaced”

“Small breather hose starting to split”

“NS lower arm bush is damaged / split”

“Coolant is low - topped up no external leaks found during inspection of vehicle”

Thinking about the specifics here, I've not seen enough to persuade me the issues Mr R initially complained about, i.e. sluggishness of the car, jolts, slow gear changes and excessive fuel use, were ever confirmed – despite the dealer seeing the car on multiple occasions. The dealer doesn't make any commentary about the issues it later found being linked to the symptoms Mr R earlier said the car had.

I've thought very carefully about what Mr R said here. But, on balance, I find it most likely these problems weren't present when he got the car.

In relation to the specific faults that were recorded in the March 2025 VHC, I've considered when it was likely these first appeared.

I've noted the clear VHC from before Mr R got the car. I'm satisfied that no issues were found when the car was seen in September 2024 and November 2024, apart from with the tyres. It follows this that I'm satisfied that while I accept the car did have the issues noted in the VHC from March 2025, these were only recorded around seven months after Mr R got the car and after it had covered around 8,800 miles.

I've thought about this. I find this means the issues were not present or developing when Mr R got the car. I'm satisfied all of the issues noted in the VHC from March 2025 are due to wear and tear. And considering the age and mileage at that time, I find a reasonable person would've considered the car to have been durable.

I want to reassure Mr R that I've carefully considered everything else he said here. But, on balance, I find the car was likely of satisfactory quality when supplied.

I've then gone on to consider the issue with the servicing. The CRA also explains that goods must match a description given. BMWFS hasn't disputed that the car was sold with a full service history, so I've assumed this was the case.

I've seen an email from the dealer to Mr R from October 2024. This explained an automatic transmission oil filter and oil change should've been done as part of a service in July 2024 but had been missed.

I'm satisfied this means the car hadn't been fully serviced in line with the manufacturer's guidelines, and so it didn't meet the description of 'full-service history'.

I've gone on to consider what then happened. I've seen an invoice from the beginning of November 2024 showing the transmission service was completed. And I believe this was done free of charge to Mr R.

It's also important to note that I've seen an invoice for a service from July 2024. I'm satisfied it was only one part of this service that was missed rather than the whole thing, and I'm satisfied this means the car wasn't overdue its 'general service' when Mr R acquired it.

Thinking about this, I'm satisfied by doing the transmission service free of charge to Mr R, a 'repair' was effectively carried out. This was one of the remedies available to Mr R under the CRA. So, I'm satisfied Mr R's rights have been met.

I have then considered distress and inconvenience here. Mr R should note that I'm only considering an award specifically for what I think went wrong – that being the transmission service being missed. I think it must have been frustrating for Mr R to have to arrange and take the time out for a repair.

BMWFS has already offered £125 to put things right here. I think it should pay Mr R an

additional £50, meaning a total of £175, to reflect what happened.

I gave both parties two weeks to come back with any further comments or evidence.

Mr R responded and sent a significant amount of information and made various points for me to consider.

BMWFS accepted the 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.

I want to reassure Mr R that I've carefully considered everything he sent in response to my provisional decision. But, respectfully, I don't think I need to respond in full to everything he said and sent in. Instead, I've picked out what I think are the key points Mr R makes.

Where Mr R mentioned something that I'm satisfied has already been fully addressed in the provisional decision, I may not mention this. And I don't think I need to comment on any evidence he provided if I have previously reviewed it.

In summary, Mr R said it was now unclear who is responsible for the repairs, or what his options are to return the car.

My decision only concerns BMWFS, so I can only say *it* is not responsible for the repairs. Mr R may wish to discuss his options for repairing the car with the dealer or another garage. And he would need to contact BMWFS directly to discuss returning the car, if this is what he wants to do.

Mr R said the car is due to be serviced, but he was unsure of what needed to be carried out at what time. I don't think BMWFS are responsible for this. And it is not my place to give Mr R any information about his car. He may want to speak to the dealer or manufacturer about service schedules if he wishes.

Mr R said the fact that the car hadn't been fully serviced when he acquired it meant he had a right to reject it under the CRA. I've thought about this, but I disagree Mr R would've had the right to reject. In any event, he would've had to exercise this right at the time. And I still think what I set out in my provisional decision about a 'repair' here was fair and reasonable as well as meeting his rights under the CRA.

Mr R said the lack of servicing may have impacted the lifespan of parts. I've considered this, but I need to think about the limited scope of what was 'missed' and how quickly this was rectified. In any event, Mr R provided no evidence to back up his point of view. So, this doesn't change my opinion.

Mr R said the most recent VHC showed issues that had been present since he got the car. He said these didn't appear on the previous VHCs as these were not based on a physical inspection. I've thought about this carefully. But Mr R has provided nothing further to show this was the case. And so, this doesn't change my opinion.

Mr R raised various concerns about the service history of the car. In short, he said the dealer "*formulated documents*" and did not actually service the car when it said it did. I've considered this. But I haven't seen anything to persuade me this was likely. So, this doesn't change my opinion.

Mr R made various points about the compensation offered and explained the impact on him and his family. I've carefully thought about this. But I should reiterate that I'm only considering an amount here specifically for the distress caused by finding out the transmission service was missed and having to arrange for this to be done. Having thought about this, I still think a total of £175 to cover everything that went wrong is reasonable.

At the risk of repeating myself, I want to reassure Mr R again that I've considered everything else he said. And I've thought about all of the information on the complaint again. Having done so, I still think what I set out in my provisional decision is fair and reasonable under the circumstances.

My final decision

My final decision is that I uphold this complaint. I instruct BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services to put things right by paying Mr R £175* to reflect what happened.

*If BMWFS has already paid Mr R anything to reflect what happened, it can reduce this figure by the amount paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 December 2025.

John Bower
Ombudsman