

## **The complaint**

Mr R says BMW FINANCIAL SERVICES (GB) LIMITED trading as MINI Financial Services (BMWFS) have been unreasonable not to supply him with a VAT invoice.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr R entered into a hire purchase agreement with BMWFS in May 2025 and was provided with a new car. He complained to BMWFS as he said the invoice he'd been provided with wasn't for the full cash price of the vehicle as VAT had been excluded (it was for the 'net value'). He said that would matter if he had to claim under GAP insurance as they'd only pay what was on the invoice.

As BMWFS didn't respond to Mr R's complaint in time he referred it to this service. Our investigator didn't think BMWFS had been unreasonable as he noted they had subsequently sent Mr R a breakdown of the VAT that had been charged by the dealer to BMWFS.

As Mr R still disagreed, his complaint has been referred to me, an ombudsman, to make a 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 agree with the investigator's view of this complaint and for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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 R acquired his car under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

Under this hire purchase agreement, the dealer sold the car to BMWFS. VAT was charged on that transaction and formed part of the price BMWFS paid to acquire the car. Mr R was then asked, as is usual in these sorts of agreements, to finance BMWFS's total acquisition cost, which is why VAT was included within the 'total cash price' listed in the finance agreement. But because Mr R was not the purchaser of the car in the VAT sense, he was not entitled to a VAT invoice. I don't think BMWFS were wrong not to provide one because they didn't sell the car to him. It is, to my mind, only the dealer who would issue a VAT invoice to its own customer – which was BMWFS.

The invoice Mr R has provided reflects the dealer's sale to BMWFS and does not show all of the elements that make up the cash price. That is normal in hire purchase agreements and doesn't indicate that Mr R has been overcharged.

It's my understanding that GAP insurance wouldn't rely on the dealer invoice and would typically refer either to the outstanding finance balance or to the cash price on the agreement. So I think it's unlikely Mr R would be placed at a disadvantage and, regardless, I can't see that Mr R has had to make a GAP insurance claim.

Overall, I'm satisfied that BMWFS haven't been unreasonable here. I'm not asking them to take any action.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 January 2026.

Phillip McMahon  
**Ombudsman**