

## The complaint

Mr C complains that BMW Financial Services (GB) Limited trading as Alpera Financial Services (“BMWFS”), provided him with inconsistent early settlement quotations.

## What happened

The details of this complaint are well known to both parties, so I’ll only briefly summarise what has happened.

In March 2024, Mr C acquired a used car through a hire purchase agreement with BMWFS. The cash price of the car was around £41,000. Mr C paid a deposit of £7,000 and the charge for credit over the term of the agreement was around £10,000. The total amount payable including the deposit, was around £51,000. The monthly repayments were around £745 for 60 months.

In July 2025, Mr C made a payment of £10,000 towards the agreement. Following this Mr C requested a final settlement figure and in a letter dated 30 July 2025 was quoted £2,192.89 by BMWFS.

Mr C paid this amount hoping to fully settle the account, but BMWFS have explained that this settlement figure was inaccurate as there had not been enough time to process Mr C’s previous £10,000 payment. As BMWFS stated the settlement figure they provided was inaccurate, the agreement was not settled and remained live.

Mr C was unhappy about this and complained to BMWFS saying that as he had paid the amount requested by BMWFS the account should now be settled. Unhappy with BMWFS’s response to his concerns, Mr C brought his complaint to the Financial Ombudsman.

Our investigator didn’t uphold the complaint, with Mr C responding to the view by explaining:

- there were factual discrepancies in the view
- there had been discussions about settlement in the build up to the letter dated 30 July 2025
- the letter dated 30 July 2025 from BMWFS was a formal settlement quote
- BMWFS provided contradictory and unclear information to him through their portal and through his subsequent phone call

As Mr C disagreed with the investigator’s view it has been passed to me for a decision. I issued a provisional decision, explaining that I was intending to partially uphold the complaint. I explained why, as follows:

*I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.*

*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.*

*The first thing I’ve considered, is whether the final settlement amount quoted in the letter dated 30 July 2025 was accurate or not. I’ve looked at the hire purchase agreement. This states at the top that it is regulated by The Consumer Credit Act 1974. The Consumer Credit Act covers several areas of consumer credit including the content and form of credit*

agreements and the procedures relating to default, termination, and early settlement. In relation to early settlement the Consumer Credit Act says that settlement figures should be calculated using the rules set out in the Consumer Credit (Early Settlement) Regulations 2004.

When the agreement was first taken out, the total amount payable including the deposit, was around £51,700. From looking at the statement of accounts, at the time the quote was generated Mr C had contributed a £7,000 deposit, and made 12 monthly instalments of around £745, followed by four lower monthly instalments of around £617. The lower monthly instalment amounts were the result of a lump sum payment of £5,000 that Mr C made in March 2025. As mentioned above, Mr C also made a £10,000 lump sum payment in July 2025. So in total, at the time Mr C asked for a final settlement amount, he'd already paid around £33,500 in monthly instalments, lump sum contributions and his deposit. Given the total amount payable under the agreement was around £51,700, there was a substantial amount of the finance left to pay, so I think it's reasonable to say that a final settlement amount at this point of time, after around a year and four months of the agreement running, would be higher than the £2,192.89 that Mr C was quoted. So I'm satisfied that this figure was incorrect.

Mr C has pointed to the fact that the settlement quote was formally sent to him by BMWFS and so this should be adhered to. It isn't in dispute that BMWFS sent out correspondence stating "settlement figure: £2,192.89" and that it was "to be received by: 24 September 2025". As Mr C paid this exact amount before the deadline elapsed, I can understand Mr C's position here, as he feels he adhered to what BMWFS had set out. However, as I've already explained, quoting this figure was an error on BMWFS's part

My role here is to reach a decision I consider fair and reasonable in the circumstances of this complaint. And in deciding this I need to bear in mind not only what was set out in the quotation, but this Services' general view on how things should be put right if someone has been given the wrong information. Our general view is if a customer has been given the wrong information, they should be put back in the position as if they had been given the correct information in the first instance, not as if the wrong information was true.

Since I'm satisfied the £2,192.89 figure was not accurate, it means I can't hold BMWFS to it. So I think it would be unreasonable for BMWFS to consider the £2,192.89 payment Mr C made, as fully settling the account.

However, I acknowledge there was a loss of expectation based on the wrong information being provided to Mr C. I can understand Mr C's frustration – he should have been able to rely on the information given to him. I appreciate BMWFS have said that the cause of this wrong information was related to the recent £10,000 overpayment Mr C had made not being updated. However, if this was the case, then I would have expected BMWFS to not provide a settlement quotation, until an accurate figure could be generated, rather than providing Mr C with an inaccurate figure. So BMWFS made a mistake by providing the wrong information about the settlement figure. Mr C has described the confusion he has suffered as a result of the inconsistent information BMWFS provided to him, and the distress caused to him when he spoke to BMWFS over the phone regarding this. I'm satisfied a fair way to reflect the impact this had on Mr C would be to make a compensation payment for the loss of expectation he has suffered. Based on this, I think that in the circumstances an award of £250 is appropriate.

### **Putting things right**

For the reasons I've already explained I can't ask BMWFS to stand by the 30 July 2025 settlement figure quote, as it was provided by BMWFS in error.

However, I think the Mr C has suffered a loss of expectation as a result of BMWFS's error and this has caused Mr C avoidable confusion and stress. Taking everything into account, I

*think £250 would be a fair reflection of the distress and inconvenience caused to Mr C.*

*To put things right, I intend to say BMWFS should:*

- *Pay Mr C £250 to compensate him for the distress and inconvenience*

BMWFS responded by agreeing to the provisional decision. Mr C responded to the provisional decision by explaining:

- The settlement figure provided by BMWFS was a final amount and was not a provisional or conditional amount. Mr C accepted this settlement calculation by paying the agreed required amount.
- It was reasonable for Mr C to conclude the amount quoted by BMWFS was the correct amount, given what he had paid so far.
- It was BMWFS's error which caused the settlement figure to be generated, and so the most proportionate resolution to this complaint is that the agreement be terminated due to Mr C already paying the previously agreed settlement figure.

### **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 outcome as I did in my provisional decision, and for the same reasons.

I know this is likely to come as a disappointment to Mr C, but I've not seen anything that changes my provisional decision. And so, it stands that I think an award of £250 is a fair resolution to this complaint.

I have taken on board Mr C's points around the settlement letter being an unequivocal offer which was accepted by Mr C. It is not in dispute that BMWFS sent out official documentation setting out the settlement offer, but this was done in error by BMWFS. This Services' general view on what should happen if someone has been given the wrong information, is not to force the business to stand by that wrong information and treat it as if the wrong information was true.

Mr C has pointed to the fact that it was reasonable for him to take the amount being quoted by BMWFS as the correct amount. I can understand Mr C's position here, and I agree that Mr C should have been able to rely on the information being provided to him by BMWFS, and I don't think Mr C did anything wrong by taking what he was told by BMWFS at face value, and assuming he could settle the agreement for what was set out in the quote. However, this doesn't change the fact that I can't hold BMWFS to stand by the wrong information they provided.

Mr C has also explained that he feels terminating the agreement is the fairest way to resolve the complaint, and has described the impact this process has had on him particularly as he is awaiting major surgery. I appreciate Mr C's circumstances and I agree that this error caused Mr C distress, which is why I'm recommending BMWFS pay £250 in relation to this.

### **Putting things right**

To put things right BMWFS should:

- Pay Mr C £250 to compensate him for the distress and inconvenience

**My final decision**

My final decision is that I direct BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 March 2026.

Jonathan Wistow  
**Ombudsman**