

The complaint

Mrs P's complaint relates to problems she had with a car supplied to her by BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services (BMWFS) under a hire-purchase agreement.

What happened

The facts of this case are familiar to both sides and, importantly, are not in dispute. With that being the case, I don't intend to repeat them in detail here. Instead, I'll provide a summary.

Mrs P entered into a hire purchase agreement with BMWFS in October 2024 to purchase a used car. The cash price of the car was £18,995. The total amount due under the agreement, including interest and charges, was £23,923.20. This was to be repaid through 60 monthly instalments of £398.72.

In November 2024, Mrs P says she heard a 'slushing noise' emanating from the car which she attributed to the ad blue. In early January 2025, she attended a retailer to fit a dashcam to the vehicle and, during this process, she was advised that the boot of the vehicle was wet and, on further inspection, all fabric and sponges were also wet.

Mrs P contacted the supplying dealership who asked her to get a quote for repairs. Mrs P obtained a quote of between £1,000 and £3,500. On taking this quote to the supplying dealer, Mrs P was advised she needed to get a quote from a BMW specialist. Mrs P duly got in touch with another garage however, she was advised that it "*would not touch the car as there would always be on going faults' with it due to the water ingress.*"

Therefore, Mrs P contacted BMWFS about the problems she was having and stated her desire to reject the vehicle on the grounds that it was not of satisfactory quality at the point of supply as set out in the Consumer Rights Act 2015 (CRA2015).

It appears the vehicle then broke down on 21 January 2025 due to a failed battery. The vehicle was attended by a roadside assistance firm.

Mrs P arranged for an independent inspection of the vehicle to be carried out (Report A). Report A was produced on 7 February 2025 and said, amongst other things, that the car suffered from water ingress before purchase and an attempt was made to drain the water. The report also noted that the car had electrical issues due to the water ingress.

The supplying dealer collected the car on 6 February 2025 for a further inspection to be carried out by an independent firm (Report B). This report found, amongst other things, that there was "*no doubt water ingress was present at the point of sale*" and "*given the extent of water ingress and its impact on electrical components, the sales agent should be held responsible for the rectification costs*".

Mrs P reverted back to BMWFS to restate her desire to reject the vehicle. BMWFS did not issue its final response within the relevant timeframe. As a result, Mrs P asked our service to investigate her complaint.

An investigator here looked into matters and, in May 2025, issued their first set of findings. In short, the investigator concluded that the car was not of satisfactory quality at the point of supply and, taking into account the delays and inconvenience repairs will cause, Mrs P should be entitled to reject the vehicle.

In response, BMWFS told the investigator that the car had, in fact, been repaired on 15 May 2025 and was ready for collection (and had been since that date). It seems Mrs P, as well as our service, had not been made aware of this.

As a result, the investigator revisited the complaint and, in late July 2025 issued their second opinion on the matter. The investigator maintained that the car was of unsatisfactory quality at the point of supply. However, they went on to say that, under the CRA2015, BMWFS have one opportunity to put things right and if the repair failed then Mrs P would have the right to reject. And, as it appeared the car has been fixed, the investigator recommended redress in the form of a refund of all rentals paid from 21 January to 24 July 2025 (this being the date BMWFS notified Mrs P the car was ready to collect). The investigator also recommended BMWFS refund the additional expenses (plus interest) Mrs P incurred as a direct result of the inherent quality issues and compensation for the trouble and upset caused.

BMWFS accepted the investigator's second opinion.

Mrs P felt unable to accept the investigator's second opinion without clarity regarding exactly what repairs had been carried out, particularly as there appeared to be a discrepancy between what the garage says it had done, and the faults identified by Mrs P and confirmed in Reports A and B.

As no resolution appeared to be forthcoming, Mrs P asked for an Ombudsman to review matters afresh.

On 28 November 2025, I issued a provisional decision. Here is what I had to say:

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 agree with the investigator that the complaint should be upheld. However, I differ in how I think matters should be put right. I am currently minded to say Mrs P is entitled to reject the car. I'll explain why.

However, before I do, I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. BMWFS was also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

In this case, BMWFS appears to accept that the car was not of satisfactory quality at the point of supply. Therefore, I do not need to consider this again.

Instead, I will confine myself to considering what a fair remedy would be here. In doing so I have considered the provisions of the CRA2015.

Mrs P first notified BMWFS of the problems she was experiencing with the vehicle on 3 January 2025 and, at the same time, notified BMWFS of her desire to reject the vehicle. Noting the point at which the fault arose, Mrs P did not have the right to reject the vehicle at that stage. I say this because Section 24(5) of the CRA says:

“A consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations –

(a) after one repair or replacement, the goods do not confirm to contract.”

It is my understanding that the vehicle was collected from Mrs P on 6 February 2025 and the vehicle was repaired on 15 May 2025 (although it seems Mrs P was not notified of this by BMWFS until it issued its final response letter on 24 July 2025).

Section 23(2) of the CRA2015 states:

If the consumer requires the trader to repair or replace the goods, the trader must –

(a) do so within a reasonable time and without significant inconvenience to the consumer.

Given that BMWFS were aware of the issues with the car from 3 January 2025, and they were provided with all the evidence of the faults by no later than early February 2025 (following the production of Report A and B), then I'm satisfied that BMWFS have had more than a reasonable period of time to take positive action. By not doing so sooner, it's arguable they have failed to comply with Section 23(2)(a) of the CRA. And, in these circumstances, Mrs P should be able to reject the car.

I appreciate the CRA doesn't define or explain "...reasonable time and without significant inconvenience to the consumer." However, in the circumstances of this case, in my view, a delay of over four months from first notification for repairs to be carried out falls some way short of what I would consider to be a 'reasonable period of time'. Indeed, I note BMWFS reached the same conclusion as early as 27 March 2025 when it wrote to the supplying dealership as follows:

"...this matter was reported back in January, and we are now nearing April, with limited progress made. This does not represent a reasonable timeframe for the repair.... given the severity of the fault, we would not consider repairing the vehicle a fair outcome for the customer, as there is a risk of the issues potentially recurring."

Further, I cannot see that Mrs P was kept mobile during the intervening period. Mrs P has explained that she lives in a rural area, with limited (or no) access to public transport. So, in my view, Mrs P has been put to significant inconvenience because of the vehicle being in for repairs for an extended period of time.

It appears the vehicle has now been repaired. In this instance, I use the term 'repaired' with a degree of caution because, as Mrs P has noted, the damage identified by herself – and confirmed in both Report A and Report B - including (but not limited to) damage to the interiors and electrical faults, does not appear to fall within the works the repairing garage says it has carried out. However, notwithstanding this, any repair at this stage doesn't change my mind that Mrs P had the right of rejection under section 23(2)(a) of the CRA2015 due to the length of time taken to effect repairs and significant inconvenience she was

experiencing as a result. Therefore, BMWFS should have allowed Mrs P to avail herself of that right before the repairs were undertaken.

So, looking at things in the round, I don't consider that BMWFS dealt with Mrs P's concerns fairly, and in light of all of this I'm satisfied that the appropriate way to address this is to uphold Mrs P's complaint and award redress – the crux of this being Mrs P should be entitled to reject the car.

The remainder of my proposed redress aligns with what our investigator recommended in their second opinion, which BMWFS accepted. For completeness, I'll set it out here.

Mrs P had, as I understand it, relatively unimpaired use of the car until it broke down on 21 January 2025 and it's right that she pays for this. But, since then, the vehicle has either been undriveable or out of her possession. And, as far as I am aware, she hasn't been supplied with a courtesy car. As such, she was paying for goods she was unable to use. As the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as BMWFS failed to keep Mrs P mobile, I'm satisfied they should refund the payments she's made towards the agreement since 21 January 2025.

In addition, it is fair that Mrs P is reimbursed for costs she incurred resulting from issues directly attributable to the fact the vehicle was not of satisfactory quality at the point of supply. It is my understanding Mrs P paid £1,800 for a full diagnostic of the car to be carried out to support her claim. I can't see that we've been provided with evidence of this cost (for example a receipt or similar) but, as BMWFS accepted this item of redress in response to the investigator's findings and, for the sake of pragmatism, I intend to direct BMWFS to reimburse this cost, plus interest, without this information.

Finally, Mrs P has told us about the overall impact this has had on her. In doing so, Mrs P has explained that she is vulnerable and living in a rural area. So, access to a working car is important to her, not least because she requires it to collect medication. Mrs P has described the impact of being unable to do so has had on her physical well-being. Furthermore, Mrs P has also explained that she was unable to see her granddaughter who was in hospital at the time which caused her further distress. I would like to thank Mrs P for sharing this information.

The investigator initially recommended £250 compensation. In its final response (issued after the investigator's first opinion) BMWFS offered a further £200 for the distress and inconvenience caused, as well as £200 for delays in responding to the complaint. Looking at things in the round, I am satisfied this overall compensation package (totalling £650) is fair in the circumstances.

My provisional decision

To settle the complaint, I am provisionally minded to conclude that BMWFS should take the following steps:

1. End the agreement with nothing further to pay and with an effective date of 21 January 2025, ensuring that Mrs P's credit file reflects the finance agreement as fully settled from that point;
2. Remove any adverse information from Mrs P's credit file in relation to the agreement.
3. It is my understanding the car is held at the supplying dealership. But, if that is not the case, and it is, in fact, now in Mrs P's possession, BMWFS should collect it at no cost and minimal inconvenience to Mrs P;

4. *Refund the full amount of the monthly repayments made by Mrs P from 21 January 2025;*
5. *Refund the £1,800 Mrs P paid for a full diagnostic of the car;*
6. *Pay 8% simple yearly interest on the refunds (points 4 and 5), calculated from the date of payment until the date of settlement*
7. *Pay £250 – in addition to the £400 it offered in its final response - to compensate Mrs P for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.*

I invited both parties to let me have any further comments they wished to make in response to my provisional conclusions.

Responses to my provisional decision

Mrs P accepted my provisional decision with no further comment. In doing so, Mrs P provided a copy of the invoice for the diagnostic report she had carried out in February 2025 in support of her claim.

BMWFS did not agree with my provisional decision. In doing so, it raised a number of points which, whilst I've carefully considered them, I won't set out in detail here. Instead, I'll provide a summary.

BMWFS said there were factual inaccuracies within my provisional which require attention. Specifically, BMWFS said:

- The vehicle was collected for repair in April 2025 (not February 2025) and this was due to the availability of the specialist. The vehicle was then inspected on 28 April before repairs were completed and the vehicle ready for collection in mid-May 2025; and
- Mrs P was advised that the vehicle had been repaired in May 2025 (not July 2025).

BMWFS went on to say that *"the independent report advises the battery was fully discharged and that the DTC codes could be related to this. When with the specialist, they advised that the battery was recharged and there were no faults found. The independent report states there had been electrical damage but I cannot see that any testing was completed to confirm this"*. BMWFS went on to share the findings from the specialist who repaired the vehicle in May.

Further, BMWFS expressed astoundment at my finding that Mrs P had the right to reject the vehicle and reiterated that, in its view, the correct remedy under CRA 2015 is repair.

Finally, BMWFS said it would require a copy of the invoice for the full diagnostic.

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 am not minded to depart from the findings set out in my provisional decision. This being that the complaint should be upheld and BMWFS should settle it in the way I set out in my provisional decision. I'll explain why what has been said in response to my provisional decision does not lead me to reach a different conclusion.

In response to my provisional decision, BMWFS has said that the vehicle was collected in April 2025 and not February 2025 as I had suggested. It went on to say that the delay in collecting the vehicle was due to the availability of a specialist.

I accept that the vehicle was, in fact, collected in April 2025. And I accept that delays in collection of the vehicle were caused, at least in part, by the availability of a specialist. But this is not Mrs P's fault and she should not be disadvantaged by this. With that being the case, I struggle to see how this supports BMWFS' case that the repairs were carried out "*within a reasonable time and without significant inconvenience to the consumer*" as set out in Section 23(2) of the CRA.

After all, BMWFS were aware of the issues with the car from 3 January 2025. Whilst I can see BMWFS was engaging with the selling dealership in the period that followed, there appeared to be little progress. As a result, in March 2025, BMWFS emailed the selling dealership to advise the length of time Mrs P had been waiting (at that stage nearly three months) "*...does not represent a reasonable timeframe for the repair....*". The vehicle was then collected in April 2025. And the repairs were not completed until 15 May 2025, over four months after first notification.

Thinking about what happened here, I'm satisfied that BMWFS have had more than a reasonable period of time to take positive action. I think the length of time it took for repairs to be undertaken is clearly not a "*reasonable time*".

What's more, I remain of the view that Mrs P has been put to significant inconvenience because of the length of time it took for repairs to be carried out during which time she was left without a vehicle. I say this noting that Mrs P has explained she lives in a rural location with limited (or no) access to public transport.

In response to my provisional decision, BMWFS also said that Mrs P was notified the vehicle was ready for collection in May 2025 and not July 2025 as I had suggested. Again, even if accept this is the case, I don't think this makes a material difference to my finding that the repairs were not completed "*within a reasonable period of time*". After all, that finding is based on events between 3 January 2025 (when Mrs P first told BMWFS about the problems she was having with the car) and 15 May 2025 (when the repairs were completed). The date Mrs P was told about the completion of the repairs does not alter my decision here.

Finally, I retain my reservations about the extent of the repairs undertaken because the damage identified by Mrs P – and included in both Report A and Report B - including (but not limited to) damage to the interiors and electrical faults, does not appear to fall within the works the repairing garage says it has carried out. That being said, I accept that it is possible that the water ingress did not cause additional damage (noting what the repairing garage has said and, as BMWFS has pointed out, the independent reports do not include testing to confirm the electrical faults). But I need not comment on that further because, for the reasons I've explained, the repairs – assuming they have fully rectified the inherent problems with the car - have not been completed "*within a reasonable time and without significant inconvenience to the consumer*" and, therefore, Mrs P did have a right to reject the car and BMWFS should've allowed this.

So, I think Mrs P did have a right to reject the car and BMWFS should've allowed this. I then need to think about what else would be fair to put things right.

Putting things right

To put things right, BMWFS should:

1. End the agreement with nothing further to pay and with an effective date of 21 January 2025, ensuring that Mrs P's credit file reflects the finance agreement as fully settled from that point;
2. Remove any adverse information from Mrs P's credit file in relation to the agreement.
3. It is my understanding the car is held at the supplying dealership. But, if that is not the case, and it is, in fact, now in Mrs P's possession, BMWFS should collect it at no cost and minimal inconvenience to Mrs P;
4. Refund the full amount of the monthly repayments made by Mrs P from 21 January 2025;
5. Reimburse the £1,800 Mrs P paid for a full diagnostic of the car (for ease of reference a copy of the invoice Mrs P has provided will be sent under separate cover);
6. Pay 8% simple yearly interest on the refunds (points 4 and 5), calculated from the date of payment until the date of settlement
7. Pay £250 – in addition to the £400 it offered in its final response - to compensate Mrs P for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

My final decision

My final decision is that I uphold this complaint and I direct BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services to resolve the complaint in the way I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 9 February 2026.

Ross Phillips
Ombudsman