

The complaint

Mr T 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 January 2024 Mr T acquired a used car under a hire purchase agreement with BMWFS. The car is listed with a cash price of £25,303, was coming up to three and a half years old and had covered around 19,172 miles. Mr T paid a deposit of £1,880.14.

Unfortunately, Mr T says the car developed issues. He said at the end of May 2024 the car showed a warning for low oil, which was reported to the dealer. Mr T says the car had an oil leak and needed to have the turbo and spark plugs replaced. Mr T says the car continued to have problems over the coming months and had been to various garages to be looked at. He said he'd had to pay to have a new clutch and flywheel as the warranty wouldn't cover this. And he then explained in May 2025 he was told the car needed a new engine.

Mr T complained to BMWFS. BMWFS issued its final response dated 22 May 2025. This said, in summary, that Mr T hadn't shown the car had a fault that was present or developing when it was supplied. And it pointed out that it passed an MOT around nine months after Mr T acquired it, which it said showed it was roadworthy at the time.

Mr T remained unhappy and referred the complaint to our service. He gave a detailed timeline of events. He explained the impact of the situation on him and said it had caused problems caring for his family and attending medical appointments. Mr T said he either wanted BMWFS to pay for repairs or to reject the car.

In July 2025 Mr T got in touch and explained the supplying dealer had now agreed to cover the cost of the replacement engine, but said he was going to have to pay around £250 for 'sundries'. He explained he'd been without a functioning car since 29 April 2025. And he said he'd paid out over £3,000 of his own money for repairs to the car so far.

Mr T later confirmed the engine had been replaced and the car was running as it should. He gave a detailed timeline of when he had been without the car and explained he had a courtesy car around *"10% of this time"*.

Our investigator issued a view and upheld the complaint. She said, in summary, that she thought the car likely had faults developing when it was supplied and wasn't durable.

She said BMWFS should reimburse 179 days' worth of repayments, as this was the time Mr T advised he was without his car. She said aside from this, BMWFS should reimburse Mr T 15% of payments between May 2024 to August 2025 to reflect the impaired usage of the car he had. She also said it should reimburse Mr T £150 for an inspection and £1,980 for a repair to the clutch. She said it should reimburse £246.55 Mr T paid in relation to the engine replacement. And she said BMWFS should pay Mr T £400 to reflect the distress and inconvenience caused.

Our investigator explained she didn't think it was reasonable for BMWFS to reimburse Mr T for the cost of tyres and brake repairs as these were routine maintenance of the car.

Mr T accepted the view.

BMWFS responded and said it thought 179 days without the car was excessive and it didn't have evidence of this. And it said it thought the clutch repair was likely due to wear and tear and not related to the other faults.

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

I sent Mr T and BMWFS a provisional decision on 16 December 2025. My findings from this decision were as follows:

Firstly, I'd like to explain to both parties that I might not comment on every point raised or every single piece of evidence. I want to reassure Mr T and BMWFS that I've carefully considered all of the available information. But I'm going to focus my decision on what I consider to be the key facts and the crux of the complaint. This reflects the informal nature of our service.

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 sets out that the durability of goods can be considered as part of satisfactory quality.

In this case I'll consider that the car was used and over three years old. So, I don't think a reasonable person would expect it to be in the same condition as a newer, less road worn model. But it had done under 20,000 miles and cost over £25,000. This means I think a reasonable person would still expect it to be in good condition, be free from anything other than minor faults and, importantly to this complaint, would expect trouble free motoring for some time.

What I need to consider in this case is whether I think Mr T's car was of satisfactory quality or not. There is a reasonably long history of repairs and issues to consider here. I suspect, which I'll explain in more detail below, that the issues concerning the engine, turbo, oil levels and spark plugs are linked, so I'll cover these off first. Then, there are what I think are separate faults that I'll comment on following this.

Mr T explains he first noted issues with the car displaying low oil warnings at the end of May 2024. I've then seen some evidence of when the car was looked at.

It's worth noting upfront that on the job sheets from the supplying dealer, two or three different mileages are recorded on some of these. Where I have listed different mileages, it is because more than one is noted on the evidence.

I've seen a job sheet from the supplying dealer dated 04 June 2024. The mileage is recorded as 19,173 and 22,000:

"Message showing "Oil level" low appearing on centre console"

"Need to check if engine oil sensor is faulty or if engine burning oil"

From the notes:

"leaks found all around turbo unit + pipes surrounding"

"Advise replace turbo unit"

"recommended 3 x plugs"

I've seen a further job sheet from the supplying dealer dated 19 June 2024. The mileage is recorded as 21,959.

"Fit and balance both front tyres"

"SPARK PLUG KIT"

This had a charge on to Mr T, however I'm satisfied he only paid for the tyres.

An invoice from the supplying dealer dated 21 June 2024 where the mileage was also recorded as 21,959 stated:

"Message showing "Oil level" low appearing on centre console - car was showing this in april - customer topped up oil but message came back.

Found oil leak at turbo. Requires new turbo.

Replace turbo, fitting parts and spark plugs."

A further job sheet from the supplying dealer dated 30 July 2024 where the mileage was recorded as 21,959 and 23,340 said:

"Oil level saying low even though issue was repaired"

"already replaced turbo"

An invoice from the supplying dealer dated 30 July 2024 at 23,249 miles said:

"CHECKED OIL LEVEL LOW LIGHT ON DASH, NO VISIBLE LEAKS, CARRIED OUT LEVEL CHECK AND FOUND SLIGHTLY LOW, TOPPED UP"

A job sheet from the supplying dealer from the same day said:

"Oil level saying low even though issue was repaired"

A job sheet from the supplying dealer dated 11 September 2024 where the mileage was noted as 23,249 and 23,800 said:

"Unsure if turbo or spark plugs that you fitted are working correctly, when you go above 60mph or go uphill at that speed the car judderly (sic)"

From an internal email from the dealer, I've seen a visit recorded to a different garage from 25 October 2024. The notes state:

"Check, Misfire, spark plugs are broken. Intercooler & air filter full of oil, suspect turbo failure, oil low and oil filter crushed. (Illegible) air & oil filter, plugs and intercooler. Clutch pedal high"

A job sheet from the supplying dealer dated 27 November 2024 with the mileage recorded as 23,782 stated:

"inspection due to failed turbo repair and oil leak which has caused damage to air filter, spark plugs, intercooler, oil filter and turbo probably needing replaced and oil leak fixed"

The notes from the time indicate Mr T should take the car elsewhere for further checks, however these are handwritten and very difficult to see exactly what was said.

A job sheet from the supplying dealer dated 04 December 2024 with the mileage recorded as 25,460 states:

"car running rough, keep getting low oil message on dash (sic) and there is a oil leak"

"(location) had fitted new turbo previously"

From the associated notes:

"CONFIRM MISSFIRE FROM ENGINE"

"SET OF S.PLUGS"

"RE-CHECK.....RUNNING OK"

Again, it's worth noting the associated notes are handwritten and it's hard to follow these completely.

From the same internal email again, a different garage is recorded with a visit date of 5 February 2025. The mileage is recorded as 25,465 and the notes state:

"Electrode broken off spark plug no1, replaced. Checked bore – no damage. Check oil – signs of spillage"

A further job sheet from the supplying dealer dated 06 May 2025 where the mileage was recorded as 25,692 and 28,440 stated:

"Engine light on, reduced engine performance light on, car shuddering"

From the notes:

"confirmed (illegible) + misfire took spark plugs out found again 1 spark plug has been destroyed this time it has melted"

"Car has had probs close to 4 sets of plugs within 1 year which is not normal"

The notes then suggest going to a manufacturer's garage to investigate further.

I've seen an email from another garage dated 13 May 2025 from the 'workshop controller'. This said:

"We have carried out extensive diagnostics on the above vehicle in the workshop. We confirm the vehicle is consuming oil and in limp mode/shuddering."

"We carried out an oil level test electronically and found oil level below minimum. We removed the spark plugs and upon removal, it is evident that the spark plug tip was missing/burnt. We then carried out a bore scope into cylinder. We found the cylinder to be

wet. We carried out a compression/cylinder leakage test to the vehicle and found 80% leakage. This confirms that the evident defect is the cylinder rings and there has been bypass of oil filling the cylinder, which also confirms the consumption. The shudder would relate to a defective spark plug because of the underlying issue with the piston rings inside the engine. This vehicle would require a new engine along with all the associated nuts, bolts, gaskets that are one time use.

I would like to make you aware that upon removal there could be catastrophic failures underlying in this vehicle such as the turbo. If there is oil being ignited and exited into the turbo, we could be looking at a replacement unit. We would need to strip the engine down and inspect all induction/exhaust routes to confirm if there has been more damage done."

I've seen an invoice from the same garage dated 29 May 2025. This said:

"check and report in limp mode - EML ON, TPMS ON, OIL LEVEL LOW - TOPPED UP LAST WEEK (dealer initials) changed spark plugs in Jan 25."

I've then seen a further job sheet from the supplying dealer dated 02 June 2025 where the mileage was recorded as 28,442 and 28,474.

From the notes:

"removed spark plugs all covered in oil. Cylinder 3 tip has broken off. Can see damage to top of piston cylinder 3. Oil in cylinder of 1 and 2"

"misfire cylinder 3 and low oil level. Likely burning oil due to broken piston ring. Carried out compression test. No compression cylinder 3"

"rec engine replacement"

"New engine fitted"

"road tested..... running good no leaks, no new fault codes"

I appreciate the above is quite a lot of information to take in. But I think it's important to set this out in some detail. The reason I say this is I think the above evidence largely tells its own story when looking at the history of what happened.

In summary, I'm satisfied Mr T's car had serious faults starting with oil leaks and spark plugs. These continued following the turbo replacement and eventually led to the car needing a new engine.

Because of the clear chain of events set out above, I think it's most likely all of these issues are linked. The faults began at the end of May 2024, which was around four months after Mr T acquired the car. I've also noted that, although there are discrepancies with the mileages recorded, it appears Mr T had only covered around 3,000 miles in the car at that time. And it had only covered a total of around 22,000 miles.

Thinking about all of this, I think on balance it's most likely these faults were present or developing at the point of supply. However, even if this wasn't the case, given the age and mileage of the car I find it should not have required the repairs it did at the time. So, I would then find the car wasn't durable. It follows that, either way, I find the car was not of satisfactory quality when supplied due to these issues.

It's also worth noting to both parties that this was the opinion of the supplying dealer.

I've seen an internal email from a 'customer services technical advisor' where they discussed the engine replacement and the history of repairs, dated 16 May 2025:

*"the issue with the plugs and oil was reported and initially acted upon within 6 months of purchase and **the fault was clearly present/developing at point of sale**"*

*"I honestly believe we would **struggle to defend ourselves and the durability of this vehicle**"*

Emphasis above added by myself.

I've then gone on to consider the other issues the car had. I've next considered the clutch and flywheel replacement. I've seen an invoice from a third-party garage dated 25 March 2025. The mileage was recorded as 26,300. This was for £1,980 and said:

"Replaced clutch kit, fly wheel and slave cylinder"

I appreciate there is limited information or commentary to consider here. And I've carefully thought about what BMWFS said, where in summary it believes this was due to wear and tear. But the car had completed just over 26,000 miles at this time. This was very early for a clutch and flywheel to be replaced.

In the absence of other evidence, I find on balance it's most likely, given how much earlier this failed than I would expect, that the clutch and flywheel either had an underlying issue that caused it to fail, which would've been present when it was supplied to Mr T, or it wasn't durable. Either way, I find this means the car was also of unsatisfactory quality due to the clutch failing.

I've seen a further invoice dated 27 February 2025 for £298.91 that states:

"Replaced rear brake pads and discs"

I find it likely this was routine maintenance rather than being evidence of any fault. So, I find this does not make the car of unsatisfactory quality.

In the larger history above, I've noted the invoice dated 19 June 2024 listed replacement tyres along with work on the spark plugs. In relation to the tyres, I also find this was part of routine maintenance and again this doesn't mean the car was of unsatisfactory quality.

I've then considered what would be reasonable to put things right. Mr T has confirmed the car is now repaired and he is happy with how it is running. A repair is a remedy available to him under the CRA. And it appears this was successfully completed. Most of the work detailed above was also done without cost to Mr T. So, in broad terms, I find his rights have been met. But Mr T has explained he has had some costs from the repairs. Our investigator asked Mr T to evidence these.

Mr T provided a bank statement showing a payment to a garage for £150 dated 1 November. I believe this was for a diagnostic, and I think it's likely this was in relation to the visit noted in the history above from 25 October 2024. So, I find BMWFS should reimburse Mr T this amount.

Mr T provided a receipt for a total of £2,797.39 dated 8 April 2025. He explained this was from the clutch replacement and said he paid for work to an additional car at the time. The invoice separates out the cost of the clutch replacement as noted above as £1,980. So, I find BMWFS should reimburse this amount.

Mr T also explained he was asked to cover £246.55 for the work to replace the engine. He's provided a receipt for this amount dated 8 August 2025. I find BMWFS should reimburse this.

I've then gone on to consider the time the car was with garages for repairs. We asked Mr T for a timeline. He set out he was without the car at the following points:

- 21 June 2024 – 3 days
- 30 July 2024 – 1 day
- 25 October 2024 – 8 days
- 27 November 2024 - 1 day
- 3 December 2024 – 71 days
- 18 February 2025 – 1 day
- 27 February 2025 – 1 day
- 19 March 2025 – 6 days
- 6 May 2025 – 98 days

I've considered this. I appreciate BMWFS explained these times weren't evidenced. And I've carefully thought about what it said. But I'm persuaded these times are most likely, in the absence of anything to show otherwise, accurate. The reason I say this is Mr T has provided very detailed testimony in this case and has given a comprehensive version of events. And I've also noted the dates above tie in with the evidence I've seen from repairs.

I've also thought about the work completed at these points and what might seem like reasonable timescales. Mostly, this seems to be fair, however there is one date I would question this on – which is the 71 days from 3 December 2024. However, I do think Mr T's testimony is backed up on this point. Earlier I referenced an internal email from the supplying dealer. In this email, the staff member also states:

"I have also noted the vehicle was in at (location name) for 2 months and 4.08 hrs was spent on the vehicle with one spark plug being changed!"

I think it's most likely this was commenting on the repair from December 2024. So, while 71 days does seem excessive for the repair that took place, I think on balance this is also most likely accurate.

There are some areas here where my opinion differs from what our investigator said. Firstly, it's important for me to set out the specific dates to allow BMWFS to calculate things accurately. Secondly, she said repayments to the agreement for all the days above should be reimbursed. But I'm satisfied the dates in February 2025 were in relation to issues not connected to the satisfactory quality of the car. So, I find BMWFS do not need to cover this.

Thirdly, Mr T has explained that he received a courtesy car at times. It's very difficult to be 100% accurate with any findings here. Mr T hasn't been able to provide a full breakdown of when he had a courtesy car or not. This is somewhat understandable given the number of times his car needed to be repaired. Instead, he said he was kept mobile around 10% of the time. Given there's no other information here, for instance the job sheets don't mention

courtesy cars, I think it's fair to take this at face value. So, I find BMWFS should reimburse 90% of the monthly payments for these periods to reflect what Mr T set out.

I've then considered impaired usage. I think it's fair to say for most of the time Mr T had the car until it was ultimately repaired with the engine replacement, it wasn't performing as it should. The job sheets have mentioned warning lights, oil issues, juddering, performance issues etc. I agree with our investigator that it would be reasonable for BMWFS to reimburse Mr T 15% of the repayments, not including the specific periods above, from the time the issues began in May 2024 to when the last repair took place.

I've then considered distress and inconvenience. I'm satisfied this was suffered by Mr T. He's clearly had to spend a lot of time and effort sorting this situation out. I'm sure it must have been very stressful to realise the car was not as expected despite numerous repairs. He's had to organise and transport the car for repairs over numerous visits for a period of around a year. He's been without his car for very significant periods. And he's described having issues with getting to medical appointments and seeing family because of the issues with the car.

Our services' approach to payments for distress and inconvenience can be found on our website. Having reviewed this, I find Mr T was caused significant inconvenience and disruption that went on for many months and took a lot of effort to resolve. I find BMWFS should pay Mr T a higher amount in relation to this than that suggested by our investigator, of £750.

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

Mr T replied and said he accepted the decision.

BMWFS raised concerns about the fairness of the redress I recommended.

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've carefully thought about what BMWFS said in response to my provisional decision.

In summary, BMWFS said if it reimbursed Mr T 90% of the monthly repayments for when he didn't have the car, and 15% of repayments when he did, then *"That totals 105%, more than he has paid"*. BMWFS said it wasn't fair to reimburse Mr T more than his monthly payments.

I've thought about this and, respectfully, I think there has been a misunderstanding here. If BMWFS reimburses Mr T 90% of the repayments for some periods and 15% for others, this does *not* mean he will get back 105% of his repayments at any point.

To be clear, at any point in time BMWFS should only be reimbursing Mr T 90% or 15% of his pro rata monthly repayments, **not** 90% and 15%.

I've carefully thought about all of the other information on the case again. And having done so, I still think what I set out in my provisional decision is fair and reasonable.

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 doing the following:

- Reimburse Mr T £150 for the diagnostic from 1 November 2024*
- Reimburse Mr T £1,980 for the cost of the replacement of the clutch from 8 April 2025*
- Reimburse Mr T £246.55 from his contribution for the engine replacement from 8 August 2025*
- Reimburse Mr T 90% of pro rata monthly payments* ** made for the following times:
 - 1) 21 June 2024 – 3 days
 - 2) 30 July 2024 – 1 day
 - 3) 25 October 2024 – 8 days
 - 4) 27 November 2024 – 1 day
 - 5) 3 December 2024 – 71 days
 - 6) 19 March 2025 – 6 days
 - 7) 6 May 2025 – 98 days
- For all *other* times between 29 May 2024 and 12 August 2025, reimburse Mr T 15% of pro rata repayments to the agreement*
- Pay Mr T £750 to reflect the distress and inconvenience caused

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If BMWFS considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr T how much it's taken off. It should also give Mr T a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue and Customs if appropriate.

** To be clear, BMWFS should *not* also reimburse Mr T an additional 15% during these periods.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 2 February 2026.

John Bower
Ombudsman