

The complaint

Miss S complains that BMW Financial Services (GB) Limited, trading as Alphera Financial Services, has terminated the hire purchase agreement under which a car was supplied to her.

What happened

A used car was supplied to Miss S under a hire purchase agreement with Alphera Financial Services that she electronically signed in October 2022. The price of the car was £18,995, Miss S made an advance payment of £1,750 and she agreed to make 48 monthly payments of £273.85 to Alphera Financial Services. There was also an optional final repayment of £9,231.44.

Miss S didn't make all of those payments when they became due, so her account went into arrears and Alphera Financial Services terminated the hire purchase agreement in May 2025. Miss S complained to Alphera Financial Services about the termination in June 2025 and said that she hadn't received a default notice.

Alphera Financial Services didn't uphold her complaint. It said that her account had been in arrears from January 2024, it issued her with a default notice in April 2025 and she contacted it in May 2025 to discuss her income and expenditure and to try to put a payment plan in place, but didn't have all the necessary information so requested a call back. It says that it attempted to call her back on the date requested, but was unsuccessful, so it sent her an email asking her to contact it, but it didn't receive any contact from her, so the agreement was terminated. It said that it was unable to reinstate the agreement.

Miss S wasn't satisfied with its response so referred her complaint to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She didn't think that Alphera Financial Services had acted unfairly or unreasonably by terminating the agreement and she said that any adverse credit listings were a consequence of the breach of contract. She also said that information had been redacted from Alphera Financial Services' response to Miss S's data subject access to remove references to any third parties.

Miss S disagreed with the investigator's recommendation and requested that her complaint be referred to an ombudsman for final determination. She's provided a detailed response to the investigator's recommendation about: the validity and service of the default notice; Alphera Financial Services' breach of forbearance and vulnerable customer obligations; inadequate engagement and failure to support a vulnerable customer; its acceptance of post-termination payments; data subject access redactions and withheld information; and consequential and reputational impact. She says that: Alphera Financial Services has failed to evidence lawful service of the default notice; it has stated that it isn't responsible for the post, yet the alleged notice was sent by post; it breached its obligations of forbearance and fair treatment; its handling of her vulnerability fell short of expectations; and the investigation didn't address post-termination payments or withheld internal documentation.

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.

Miss S had agreed for the car to be supplied to her under the hire purchase agreement and she'd agreed to make 48 monthly payments of £273.85 to Alphera Financial Services for the car to be supplied to her. Miss S didn't make all of those payments when they became due so her account went into arrears and Alphera Financial Services says that Miss S's account has been in arrears since January 2024. It has provided evidence of the notices of sums in arrears and arrears letters that it sent to Miss S and its other communications with her about her account between January 2024 and April 2025.

The account was £582.35 in arrears in April 2025 and Alphera Financial Services then sent a default notice to Miss S which said that she'd breached the contract and, to remedy the breach, she must pay the arrears in full before a specified date later in the month, and it described the further action that could be taken if she didn't remedy the breach, including termination of the hire purchase agreement.

Miss S didn't make the required payment by the specified date and says that she didn't receive the default notice. Alphera Financial Services' agreement notes for Miss S's account show that she contacted it in late April to make a payment of £600 from her partner's card and said that she'd need a payment plan for the balance, but the payment wouldn't go through. There were further calls in the following few days, Miss S paid £300, and the notes say:

“cust said that she would like to discuss pp however does not know her income and expenditure today so asked for a call back on tuesday. Cust was made redundant and is now back working”.

The notes show that Alphera Financial Services attempted a call to Miss S on the Tuesday, as requested, but there was no answer then or when it attempted to call her again four days later. It then sent an email to Miss S asking her to contact it, but she didn't do so. It tried to call her again two weeks later, but there was again no answer, so it terminated the agreement and sent Miss S a notice of termination.

Miss S says that she didn't receive the default notice, but Alphera Financial Services has provided evidence to show that a correctly addressed default notice was sent to Miss S in April 2025. I consider that Alphera Financial Services complied with the requirement to send a default notice to Miss S, even if she didn't receive it. I consider that Miss S ought reasonably to have known that she was in breach of the hire purchase agreement and that her account was in arrears. She contacted Alphera Financial Services after the default notice had been sent to her and tried to make a payment, but she didn't respond to its calls or its request to contact it and I don't consider that Alphera Financial Services acted unfairly or unreasonably when it then terminated the hire purchase agreement.

Alphera Financial Services is required to report true and accurate information about the hire purchase agreement to the credit reference agencies. I've seen no evidence to show that the information about the hire purchase agreement that's on Miss S's credit file isn't true and accurate.

Miss S's account had been in arrears since January 2024 and I consider that Alphera Financial Services not defaulting the account until April 2025 and the actions that it took in April and May 2025 show that it exercised appropriate forbearance in its dealings with Miss S. Miss S says that Alphera Financial Services' handling of her vulnerability fell short of

expectations and that she qualifies as a vulnerable customer as she'd experienced three redundancies in two years and had been diagnosed with severe anxiety. Miss S had told Alphera Financial Services that she was back working and I'm not persuaded that the actions that it took show that it didn't deal with her appropriately.

The hire purchase agreement has been cancelled and Miss S owes the outstanding balance on her account to Alphera Financial Services. I've seen no evidence to show that the car has been repossessed and I don't consider that any acceptance by Alphera Financial Services of payments from Miss S invalidates the termination of the hire purchase agreement or shows that it has acted incorrectly.

Miss S also says that Alphera Financial Services has withheld internal information in its response to her data subject access request. Alphera Financial Services says that information was redacted to remove references to third parties and I'm not persuaded that the redaction of information has adversely impacted Miss S's complaint. Miss S can raise any concerns about Alphera Financial Services' response to her data subject access request with the Information Commissioner's Office.

I've carefully considered all that Miss S has said and provided about her complaint, including her response to the investigator's recommendation, but I'm not persuaded that there's enough evidence to show that Alphera Financial Services has acted incorrectly in connection with the termination of the hire purchase agreement. It's clear that Miss S feels very strongly about her complaint, so I appreciate that my decision will be disappointing for her. I find that it wouldn't be fair or reasonable in these circumstances for me to require Alphera Financial Services to reinstate the hire purchase agreement, to remove or amend any of the information about the hire purchase agreement that it's reported to the credit reference agencies or to take any other action in response to Miss S's complaint.

My final decision

My decision is that I don't uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 5 February 2026.

Jarrold Hastings

Ombudsman