

The complaint

Mr B complains about a car he acquired through a finance agreement with BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services (Alphera') was of unsatisfactory quality.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Alphera supplied Mr B with a car on hire purchase in February 2025. The car was around three years old, had completed about 52,000 miles and the cash price was £22,791.

Soon after taking possession of the car, Mr B experienced problems. Amongst other things Mr B said the tailgate on the driver's side had dropped and was sitting outside the body panel, a peg on a retractable cover had snapped and the panoramic roof blind was sagging on one side. The supplying dealership undertook some repairs but didn't carry out the repair to the roof blind. At the time it advised against this as it would've possibly caused further problems. Later Mr B also suspected an oil leak and Alphera commissioned an independent report to investigate this issue.

Following this, Alphera issued its final response letter. In July 2025 it said it had contacted the supplying dealership, and it said the sagging sunblind is a minor defect that didn't affect the vehicle's operation. It confirmed, as the vehicle was under four years old it had ordered the necessary part and Mr B should get in touch with the supplying dealer to carry out the repair. Further repairs were undertaken, and Mr B was supplied with a courtesy car. As this wasn't like for like, Alphera offered to refund one monthly payment of £427.74. It also apologised for the distress and inconvenience and offered an additional £200 compensation and a further £150 to recognise the delay in issuing the final response letter.

In March 2025 Mr B raised a complaint with Alphera, but it didn't investigate his concerns within the eight-week timeframe and so Mr B referred his complaint to this Service. One of our Investigators looked into things and upheld the complaint. In short, he was satisfied there was a fault with the car which made it of unsatisfactory quality. Amongst other things he said Alphera should support rejection of the vehicle as it had been afforded it's one chance of repair and it failed to carry out repairs to the roof blind.

Alphera didn't agree. It said whilst it didn't dispute there was an issue with the roof blind, Mr B would've been aware of this prior to accepting delivery of the vehicle. It said the issue was a cosmetic issue. It also said the independent report didn't confirm an oil leak and so it didn't agree with our Investigators opinion.

I sent Alphera and Mr B the provisional decision on 19 January 2026, my findings from this decision were as follows:

Where evidence is unclear or in dispute I reach my findings on the balance of probabilities – which is to say what I consider most likely to have happened based on the evidence

available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into count the relevant rules, guidance, good industry practice, the law and, where appropriate what would be considered to have been good industry practice at the relevant time.

The hire purchase agreement entered into by Mr B is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Alphera is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr B entered. Because Alphera supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr B's case the car was used and covered approximately 52,000 miles and was about three years old when he acquired it. So, I'd have different expectations of it compared to a brand-new car.

Mr B was unhappy with the cars cosmetic condition and the potential oil leak. The CRA implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Alphera can show otherwise. But, where the fault is identified after the first six months, the CRA implies that it's for Mr B to show it was present when the car was supplied.

Alphera arranged for an inspection to be carried out by an independent third party. I've seen a copy of the independent engineer's report for the inspection that took place on 4 July 2025. From the information I have, I'm satisfied the car would've travelled around 54,700 miles since supply. The report clearly sets out that the independent inspector was investigating the possible oil leak, I can't see any other issues were investigated.

The engineer set out his findings:

'A visual check of the engine bay was carried out.

Engine oil residue could be seen in multiple places.

The underside of this vehicle is fitted with protective guards. The topside of the engine is also covered. This has restricted the inspection of the lower and upper parts of the engine, engine bay and transmission.

The underside of the engine undertray had traces of oil on it.

The road surface under the vehicle showed no signs of engine oil.

The upper engine cover was removed and refitted for inspection purposes, no oil leaks were

visible from the top section of the engine...'

and concluded:

'I can confirm that the engine fitted to the above vehicle has oil misting in multiple places and visible dirt contaminated oil on the engine under tray.

Due to the engine and under vehicle covers a full inspection of the engine could not take place.

I would therefore recommend that the engine covers are removed, a full engine bay clean is to be carried out and rechecked for leaks.

Due to the above I can not comment to the extent of the said reported oil leaks and the probability, if current or an age/mileage related weep'.

I'm satisfied the report is independent and the engineer was suitably qualified to make a finding on the car's condition. The report includes the expert's duty to the court and a statement of truth. For that reason, I think I can put substantial weight on its findings. The report was not conclusive, and I don't think it identified an oil leak. Its findings didn't render the car to be of unsatisfactory quality.

It follows, in my view that I do not think the car was of unsatisfactory quality based on the reported fault of an oil leak because the report didn't reach a clear or definitive conclusion and found no evidence of an oil leak. Without identifying a specific fault or confirming a defect that would materially affect the vehicle's performance, safety or reliability, the findings do not support the view that the car fell below the standard a reasonable person would expect.

Turning to the sunblind issue. In summary the relevant legislation explains, if a consumer is informed about a fault before making a purchase, or if that fault should have been obvious upon reasonable inspection, the consumer cannot later claim that the item was not of satisfactory quality due to that particular fault (CRA s9 (4)(b)).

Alphera has said Mr B collected the vehicle from the supplying dealer and carried out a visual inspection of the vehicle on site. The sunroof blind issue was highlighted and demonstrated to Mr B. Further, it confirmed Mr B had test driven the car. It supplied test drive logs which confirm Mr B would've test driven the car on 18 January 2025 prior to entering into the agreement.

The concern with the sagging of the sunroof blind is an interior trim component, located in a readily visible area. Based on its nature and location this would be considered a visible condition related issue. I understand Mr B disputes being told about the issue before entering into the agreement, and I don't doubt what he says. But I must take into account he had the opportunity to inspect the vehicle and undertake a test drive prior to purchase. During such, a reasonable person would be expected to observe the general condition of the interior, including the roof lining and sunroof blind.

With all that said I think the cosmetic damage Mr B referred to in his complaint to Alphera ought reasonably to have been visible on his inspection of the car and I don't think Alphera were therefore, unreasonable to not support rejection.

I understand Mr B experienced problems with the car soon after acquiring it and I appreciate this would've been disappointing. But just because a car requires repairs it doesn't automatically follow that the car is of unsatisfactory quality. Under the circumstances of this

complaint, I do find the offer Alpera made in its final response letter to be both fair and reasonable.

But overall, I'm not persuaded that Alpera has done anything wrong here.

I gave both parties two weeks to come back with any further information or evidence. Alpera confirmed it had nothing further to add, Mr B replied and made further comments.

In summary he said he didn't agree that he was told about the sunblind issue before entering into the agreement. In his view, there is no correspondence confirming his awareness. Further when he test drove the car it was dark and the blind was rolled back, and it wasn't possible to notice everything in one viewing.

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 thought about everything again and having carefully considered the comments Mr B made in his recent response, I still don't think this complaint should be upheld.

Mr B has explained that the supplying dealer did not specifically draw his attention to the condition of the sunroof blind prior to the agreement being entered into. While I don't doubt this the CRA places importance on whether a consumer was given a reasonable opportunity to inspect the vehicle prior to purchase.

Here, Mr B test drove the vehicle, and in my view this constitutes a reasonable opportunity to inspect the vehicles condition, including the interior. I appreciate Mr B has said the conditions were not ideal, but I'm satisfied he would've had the means to reasonably inspect the interior of the car at the time of the test drive. The key consideration is the opportunity to identify the issue, rather than whether it was formally recorded in sales documentation.

He's also said the blind was in a retracted position at the time, but I don't consider this would have prevented a reasonable examination of the blind. Even when retracted, a sagging blind would ordinarily still be observable due to its fit, alignment and appearance. I also think the presence of a sunroof would likely have prompted Mr B to observe the blind mechanism as part of an interior inspection.

I fully acknowledge the disappointment of the outcome, and I empathise with Mr B's situation but unfortunately for the reasons given above I won't be asking Alpera to take any steps in putting things right.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 February 2026.

Rajvinder Pnaiser
Ombudsman