

The complaint

Miss D complains that a used car she acquired through a hire purchase agreement financed by BMW Financial Services (GB) Limited trading as Alphera Financial Services ('Alphera') is of unsatisfactory quality.

Miss D is bringing the complaint with the help of her partner, Mr C. For ease, I'll refer to Miss D throughout.

What happened

In May 2024 Miss D took out a hire purchase agreement to cover the cost of a used car. The car cost £18,900 and Miss D paid a deposit of £250. The car was three months old and according to the finance agreement it had around 4,250 miles on the odometer.

Miss D said she experienced problems with the car straight away. She found that the windscreen wiper at the back of the car was missing. She replaced it and was reimbursed by the dealer who supplied the car ('T'). There was also an issue with the tyre pressure sensors, which was repaired under warranty.

Miss D said she encountered problems every other week, including various warning lights on the dashboard and the car losing power while driving. And on several occasions the car either failed to emergency brake or started moving unexpectedly.

In March 2025 Miss D contacted Alphera to tell them about the problems she'd been experiencing. Alphera confirmed that they'd received Miss D's complaint and began their investigation. In April 2025 Alphera wrote to Miss D to let her know that it was taking longer than expected to resolve her complaint. Their letter explained Miss D could refer her complaint to our service – which she did shortly after receiving the letter.

Alphera then issued their complaint response in May 2025. They said the car had travelled around 21,750 miles before the faults developed. Alphera noted that two dealerships couldn't identify any faults relating to the loss of power. They said Miss D declined their suggestion to seek help from an independent specialist. Overall, Alphera didn't think that the car was faulty at the time it was supplied to Miss D, so they didn't uphold her complaint. But Alphera acknowledged the delay in answering Miss D's complaint and said they'd pay her £150 for the distress and inconvenience this caused her.

One of our investigators looked into what had happened. She concluded that the car was likely not of satisfactory quality at the time Miss D acquired it. While there had been attempts to resolve the issue, Alphera hadn't been given a chance to repair the car. And so, she recommended that Alphera arrange for and cover the cost of repairs. She also said Alphera should reimburse Miss D for previous repairs and the cost of a diagnostic report. Finally, the investigator said Alphera should remove any adverse information from Miss D's credit file and pay her a further £250 for the distress and inconveniences caused.

Alphera accepted the investigator's findings, but Miss D didn't agree. In her view Alphera had had plenty of opportunity to fix the car. She said each time she had a problem she had

to wait months to have the car looked at, and she wasn't always offered a courtesy car. She said Alpera should accept rejection of the car, refund the deposit she paid along with three months' payments. Miss D broadly accepted the award for distress and inconvenience.

Following our investigator's assessment Alpera said they would arrange for the collection of the car so it could be repaired. Miss D said she didn't want this as she'd be left without a car. She also said she didn't want T involved going forward. Alpera said they'd be prepared to cover the cost of having the repairs done by a third-party garage, subject to Miss D organising this and providing quotes. Miss D maintained that she should be allowed to reject the car and asked for an ombudsman to consider the complaint – and it came to me. I issued a provisional decision on 4 December 2025. In that I said:

"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 think the complaint should be upheld. Before I explain why, I think it's necessary to set out the scope of this provisional decision. This is because Miss D raised additional points after she referred her complaint to our service.

Specifically, Miss D said the tyre pressure sensor is faulty again, and the engine management light (EML) has come on. She said we should include those issues as part of the ongoing investigation, including this decision, as the tyre pressure sensor was faulty before. I can see that Miss D has told Alpera about the EML in April 2025, while they were still investigating her original complaint. So, I think I can comment on that. But I don't think I can comment on the problem with the tyre pressure sensor.

This is because rules I must follow set out that we can only consider complaints in certain circumstances. Broadly, before we can get involved the business must have issued a final response or the time the FCA allows the business to resolve complaints must have elapsed. The exception is where both the business and consumer consent to us looking at the complaint sooner, under what is known as 'early consent'.

While I accept the tyre pressure sensor was faulty soon after Miss D acquired the car, this was fixed under warranty in November 2024. From what I've seen, Miss D hasn't previously complained to Alpera about the tyre pressure sensor, although she mentioned the previous repair to illustrate the problems she'd been having. The problem recurred after Miss D referred her complaint to our service. Alpera haven't given early consent, and so I can't consider this aspect further at this point. Miss D may refer her new complaint to our service if she's not satisfied with Alpera's response, or if they don't provide a response in the relevant time frame.

Satisfactory Quality

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 – Alpera 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. Miss D was supplied with a car that cost almost £19,000. The car was nearly new and had around 4,250 miles on the odometer. It's fair to say that a reasonable person would have higher

expectations of such a car than of a more road worn car; for example, that it's free from even minor faults for some time.

It appears that the parties are now broadly in agreement that the car wasn't of satisfactory quality. But I think it would be helpful to set out why I agree this is the case as it'll be relevant to the redress in this case. Miss D said the car had two issues within days of picking up the car. The back windscreen wiper was missing and the tyre pressure warning kept coming on. She replaced the wiper herself and was reimbursed for her outlay. And the tyre pressure warning was linked to a faulty sensor, which was repaired under warranty in November 2024. Although these two issues were resolved, they do speak to the satisfactory quality of the car Alphera supplied.

In July 2024 Miss D got in touch with T to let them know about other warning lights coming on. She sent photos showing the traction control system, tyre pressure monitoring system, lane assist. and emergency front brake assist lights illuminated. And she said people were having difficulties hearing her when using the hands-free function in the car. Miss D has also provided other photos she took of the warning lights as they appeared and sent them to both Alphera and our service. In addition to those already mentioned, the lane assist, speed limit warning lights and EML have come on at various times. The warning lights are intended to alert the driver of a potential fault or issue with the respective components and as the warning lights were illuminated, this suggests there was an underlying issue or fault with the components connected to the warning lights. I don't think a reasonable person would expect this to happen in a car that was only five months old (as at July 2024).

The CRA implies that goods must conform to contract within the first six months. Where the goods are found not to have conformed to the contract within the first six months, it's assumed the goods did not conform to the contract when they were first supplied, unless Alphera can show otherwise. After that, the CRA implies it's for Miss D to show the car was faulty and did not conform to the contract when the car was supplied.

As part of the investigation into Miss D's complaint Alphera asked her to provide an independent inspection report on the condition of the car. I can understand why Alphera wanted some independent evidence that the car may not have been of satisfactory quality at the time of supply, given Miss D's description of the faults, the intermittent nature and the mileage she was able to cover. But Miss D has been able to demonstrate that the problems started soon after she acquired the car. So, I think Alphera should have arranged for an inspection themselves when Miss D complained.

Here, Miss D took the car to a third-party garage where a diagnostics scan was undertaken on 13 June 2025. At that point, the car was around 16 months old, and the diagnostic report showed it had travelled around 33,476 miles. The report further showed four current faults, all relating to the front detection radar (FDR):

- B19C1 – Adaptive Cruise Control (ACC) and Forward Collision Warning (FCW) and Pedestrian (sic) Collision Warning (PCW) and Autonomous Emergency Braking (AEB) and Autonomous Emergency Braking Vulnerable Road Users (AEB_VRU) disabled due to invalid data received*

- B19C2 – Adaptive Cruise Control (ACC) and Autonomous Emergency Braking (AEB) and Autonomous Emergency Braking Vulnerable Road Users (AEB_VRU) disabled due to invalid data received*

- B19C3 – Adaptive Cruise Control (ACC) disabled due to invalid data received
- B19C4 – Autonomous Emergency Braking (AEB) and Autonomous Emergency Braking Vulnerable Road Users (AEB_VRU) disabled due to Stability Control System (SCS) not support

The report also showed pending faults relating to the front infotainment control module and the anti-lock braking system. Pending fault codes indicate a potential problem that hasn't fully materialised but requires monitoring. For example, the car may have malfunctioned once. This could be a glitch or a developing problem. The car then stores this as a pending fault to monitor recurrence over a set number of driving cycles. If the malfunction doesn't recur, the code is cleared.

Finally, the diagnostics showed aging fault codes relating to the GateWay, the engine control module and the front infotainment control module. The 'aging' status is indicative of a previous problem that was temporary and is in the process of being cleared, or one that is intermittent.

I've not seen anything to show that further investigation into the reason for the fault codes was undertaken, or that repairs took place. I've thought about this carefully. I think it's clear from what Miss D said and the evidence she's provided that there's a problem with the car. The fault codes I've set out above could be caused by a range of things, each requiring a different type of repair.

Based on what I've seen I think it's more likely than not that Miss D had intermittent problems with the car, including it stopping and starting unexpectedly. Such issues occurring so soon in a car less than a year old (as at the date of Miss D's complaint) would indicate that there was a fault present or developing at the point of supply. Overall, I'm inclined to say that the evidence we've been supplied with shows that it's more likely than not that the car Miss D acquired in May 2024 was of unsatisfactory quality.

Remedy

As mentioned above, the scope of my decision is limited to considering the points Miss D raised as part of her first complaint to Alphera, and which Alphera has had a chance to consider. I'm aware that things have moved on from there, with new and recurring issues now present. And it's possible the new problems are linked to the pre-existing ones. I've tried to be as pragmatic as I could when thinking about how to put things right, so that a line can be drawn under the complaint. This is because it will mark the end of our process. Alphera may reflect on this provisional decision and Miss D's new complaint and decide to offer Miss D a different remedy to the one I've set out below. If that's the case, they should set out their proposal in their response to me.

Miss D said she should be allowed to reject the car, given how long things have gone on for. She's also pointed out that the car had already been in for repairs three times. The CRA sets out the different remedies available to consumers where goods have been found to be of unsatisfactory quality. Typically, the supplier of the goods is allowed one opportunity to repair the goods, where the issues arose after 30 days of the goods being supplied. And consumers have the right to seek rejection of the goods if the supplier already had one chance to repair the goods. But I don't think

that, in the circumstances of this complaint, rejection of the car is the most appropriate remedy at this point.

I appreciate Miss D said she lost faith in the car, having experienced several issues with it. But despite the warning lights illuminating frequently, the third-party garage hasn't been able to identify a specific fault with the car. And I haven't seen anything to show what is causing the problems Miss D has been experiencing. I'm also mindful that the issues don't appear to have impacted Miss D's use of the car, given the mileage she was able to travel in it. For all those reasons, I'm not inclined to say that rejecting the car is proportionate at this point.

Instead, I think it's fair that Alphera are given a chance to inspect and repair the car. As mentioned above, it's unclear what exactly the problem is and what repair is needed. An investigation into this is required, and Alphera should cover the cost of this, for the reasons I've set out earlier in this provisional decision. They should then arrange for the car to be repaired. It's difficult to know what those repairs will be, but I would expect the faults relating to the front detection radar to be resolved. Any repairs relating to the aging or pending faults as set out in the June 2025 diagnostic report should also be covered.

I'm aware that Alphera contacted T as the supplying dealer to arrange repairs following our investigator's assessment. Miss D said she doesn't want T to be involved. Alphera agreed to a third party undertaking the necessary work on the condition that Miss D arranges this and provides quotes to Alphera for consideration. I think that's a fair compromise. To be clear, if Miss D doesn't want to arrange the repairs herself, Alphera may appoint a garage themselves, and that includes T.

I'm mindful here of how long things have gone on for. Provided that my final decision follows along the same lines of this provisional decision, I intend to direct Alphera to arrange for the inspection and repairs to commence within 28 days of Miss D accepting the final decision. Miss D will be without a car while Alphera carries out the required investigation and repairs. She's explained that she doesn't have another car and so she's reliant on this one for work and to attend medical appointments. This being the case, I think it would be fair for Alphera to keep Miss D mobile in a similar car while the repairs are carried out.

Miss D paid for a diagnostic report after Alphera asked her to evidence that the fault was present at the time of supply. Alphera should reimburse Miss D for the cost of the report, which I understand to be £45.

Being supplied with a car that wasn't of satisfactory quality will have caused Miss D some distress and inconvenience. She told us that she had a near-miss accident when the car stopped unexpectedly, at a time when she was particularly vulnerable. And she had to go to the garage several times. It's clear from what Miss D told us that the whole process has been frustrating for her. And Miss D said the situation had a detrimental impact on her mental health. All things considered, I think £250 is a fair amount to compensate Miss D for the upset caused.

Finally, our investigator recommended that Alphera remove any adverse information from Miss D in relation to the agreement. This usually forms part of redress which includes unwinding the agreement and where consumers have not been able to use the car. This isn't the case here, and I haven't seen anything else which makes me think Alphera should remove adverse information from Miss D's credit file. So, I don't intend to direct Alphera to do anything in this regard."

Alphera accepted my provisional decision. Miss D responded and said, in summary:

- She would like two independent reports to confirm all the faults with the car, as well as confirmation before repairs are carried out, a rough estimate of time the repairs will take and proof that all repairs have been completed
- She had car hire costs and asked why I hadn't considered those
- A third-party garage she recently took the car to due to new issues with it informed her that it will need a lot of investigation and repairs, so Miss D would like to pursue rejection of the car.

Separately, I became aware that Alphera had issued a final response in September 2025, pertaining to concerns about the car losing power, the infotainment system and the tyre pressure monitoring system (TPMS) and EML warning lights coming on. In its final response, Alphera said those issues would be dealt with by the Financial Ombudsman Service, and they'd await our ruling.

I wrote to both parties to let them know that, in light of the September 2025 final response, I now planned to consider Miss D's complaint about the TPMS – which I didn't think I could before. I set out my initial thoughts around this and invited both parties to make further comments. Both parties accepted what I said and had nothing further to add.

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, my findings remain unchanged from those set out in my provisional decision. I'll address Miss D's points in turn and then move on to consider the TPMS.

Given everything that's gone on with the car and bearing in mind what Miss D has told us about her personal circumstances, I can understand her desire to have an element of certainty about the repairs. She's also reiterated that she doesn't want T, or any branch of the third-party garage who carried out the repair in November 2024, to be involved. But I don't think it would be fair for me to ask Alphera to instruct two separate garages to carry out inspections, compile two reports, and go from there. I've set out in my provisional decision that Miss D may pick her own garage and arrange for the inspection and repairs, subject to Alphera approving the repairs. This option remains open to her.

I asked Miss D about car hire costs as the evidence I'd seen suggested she had regular use of the car until it broke down in September 2025. Miss D has since confirmed that the car hire costs came after that point, and that she will include the invoices in her new complaint about the faults identified during the September 2025 breakdown. So, I'm not considering this further here.

I've noted what Miss D said about the third-party's comments regarding the fault investigation and repair. I accept that these things will inevitably take time and may be complicated by the additional faults. However, I remain satisfied that, in relation to the faults raised with Alphera as part of this complaint, the most appropriate remedy remains giving Alphera a chance to repair the car, for the reasons set out in my provisional decision.

Turning now to the TPMS warning light. Having reviewed the information available to me, it appears that the tyre pressure issue first started soon after Miss D first collected the car. In early November 2024 a third-party garage inspected the car and found a fault with the TPMS. They recalibrated the tyre pressure sensor and this seems to have fixed the problem.

Their work sheet shows the car's mileage at that point was 18,535.

The evidence available to me shows that the next time the TPMS light illuminated was at 40,448 miles, on or around 22 September 2025. So, it appears Miss D was able to cover around 22,000 miles before the TPMS illuminated again. If there was a recurring fault with the TPMS, or the repair earlier at 18,535 miles was unsuccessful I would have expected to see a warning occur much sooner and after less mileage had been travelled than the approximate 22,000 miles before the TPMS warning light appeared again. The absence of a TPMS issue within a short period after the remedy at 18,535 miles suggest any issue or fault was successfully resolved at the time.

A car's tyres are a serviceable item and will wear out and need changing potentially several times during the lifetime of a car. The tyre pressure is also something that should be monitored and adjusted where necessary and this includes when the load or weight of the vehicle is increased/decreased or in colder temperatures. The tyre pressure can also reduce slowly over time and require topping up, even if there is no puncture or other problem with the tyre. A warning light coming on is, in itself, not confirmation that there's a fault with the car. Instead, it alerts the driver to a potential problem that may need investigation. Here, it appears Miss D took the car to a garage for investigation. I've seen a copy of the invoice from the garage dated 8 October 2025, which shows the car's mileage as 40,688. The invoice shows the TPMS light was on because the tyres were showing incorrect pressure and hadn't been set correctly.

The garage couldn't establish a fault with the TPMS. While the tyres appear to have needed adjustment, overall, I haven't seen sufficient evidence to show the car's TPMS was faulty when the warning light illuminated in September 2025, and so I'm not persuaded that the November 2024 repair failed or that there was a recurring fault with the TPMS. I therefore don't uphold this part of the complaint.

Putting things right

Having considered all the available evidence, I uphold this complaint. To put things right for Miss D, Alphera should:

- arrange for and cover the cost of an inspection of the car to establish the cause of the fault codes listed on the June 2025 diagnostic report, and
- arrange for and cover the cost of repairs required to fix any issues related to the fault codes as recommended by the inspection report.

If Miss D prefers to arrange the inspection and repair herself, Alphera should:

- refund the reasonable cost of the inspection to establish the cause of the fault codes listed on the June 2025 diagnostic repairs*, and
- refund the reasonable cost of repairs required to fix any issues related to the fault codes as recommended by the inspection report*.

Alphera may ask for a copy of the inspection report and quotes for the proposed repairs before the repairs go ahead. Miss D should not go ahead with repairs unless approved by Alphera.

Additionally, Alphera should:

- keep Miss D mobile in a similar car while the repairs above are carried out,
- refund Miss D £45 she spent on the diagnostic report in June 2025*,

- pay Miss D £250 for any distress and inconvenience that's been caused due to the faulty goods;

*Alphera should pay 8% simple yearly interest on these amounts from the date of payment until the date of settlement. If Alphera considers that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Miss D how much they've taken off. They should also give Miss D a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons set out above I uphold Miss D's complaint and to direct BMW Financial Services (GB) Limited trading as Alphera Financial Services to take the steps outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 19 February 2026.

Anja Gill
Ombudsman