

The complaint

Mr K is unhappy BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services (“BMWFS”) didn’t allow him to settle the balance of his hire purchase agreement after it had been terminated.

What happened

Mr K took out a hire purchase agreement from BMWFS in May 2024 to finance the cost of a used car. The cash price of the car was around £14,500 and Mr K agreed to make repayments over 60 months.

Within a few months, Mr K fell behind on the agreement payments. BMWFS sent Mr K a default notice in October 2025 as he was around £930 in arrears. It said Mr K needed to clear the arrears before 11 November 2025 otherwise the agreement would be terminated. Mr K didn’t make the payment, so BMWFS terminated the agreement on 18 November 2025. It told Mr K an agent would collect the car and he should remove any possessions from it.

Mr K says BMWFS told him he could pay the agreement in full after it was terminated and keep the. He says he waited for an email quote, but this didn’t arrive. Mr K called BMWFS again the next day, but says he was asked to send proof he had the funds available.

Mr K sent his bank statement to BMWFS, but the car was collected by an agent the following day. Mr K chased BMWFS again, but he was then told it wouldn’t allow him to settle the agreement and keep the car.

In early December 2025, BMWFS contacted Mr K asking him to collect his personal belongings from the agent. BMWFS and Mr K corresponded by email over the following weeks until BMWFS arranged an appointment for Mr K to collect his things from the agent. When Mr K didn’t attend, the agent disposed of Mr K’s belongings.

Mr K was unhappy and complained to BMWFS that it hadn’t allowed him to pay for the car and keep it. He said BMWFS ought to have put everything on hold to allow him time to pay the balance. He was also unhappy BMWFS hadn’t returned his belongings from the car, saying he had missed the email with the appointment.

BMWFS said it terminated Mr K’s agreement in line with the terms and conditions, as he had first entered arrears in July 2024. It said it had tried to contact Mr K multiple times about the payments by email, phone and post. BMWFS said a manager had considered Mr K’s request to pay the arrears in full after termination, but this was declined. It added that Mr K had been given a lot of time to collect his belongings before the agent disposed of them.

Our Investigator didn’t think BMWFS had treated Mr K unfairly. She was satisfied BMWFS gave Mr K the full notice period for the default and termination notices, and it was clear when Mr K had to make a payment. She didn’t think BMWFS had promised Mr K it would accept a late settlement, and it wasn’t under obligation to do so. Finally, she was satisfied Mr K had fair notice to collect his personal belongings from the car, and even if he missed the email with the appointment, he’d had chances to collect them sooner.

Mr K didn't agree with the outcome. He said he was told he could settle in full on the phone and was waiting for the settlement quote by email. He thought the delay meant BMWFS then changed its mind, and he would have been able to settle the agreement and keep the car if the advisor had sent him the quote as promised. Mr K said it wasn't fair for BMWFS to continue with the collection process while he was willing to pay for the car. And he said it wasn't fair for his belongings to be disposed of after just one missed appointment, as he'd lost around £500 worth of items.

As the Investigator didn't change her mind, Mr K asked for a final decision on the complaint.

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 agree with the outcome reached by the Investigator – and I'll explain why.

Mr K's complaint relates to a hire purchase agreement, which is a regulated consumer credit agreement. This means I can consider a complaint regarding the way BMWFS administered the agreement.

Settlement request

Mr K doesn't dispute the arrears on the agreement, and he's said he understands why BMWFS terminated it in November 2025. So I've instead looked at what happened after the termination.

I understand Mr K says he was promised the option to pay the balance in full and keep his car during a call on 20 November 2025. I've not been provided with this call, but I've looked at the notes on Mr K's account and they suggest the call did take place. BMWFS noted Mr K wanted to settle the agreement but there's no notes mentioning a settlement quote.

Even if I accept that Mr K was told he could pay the settlement balance on this call, I'm mindful the agreement had already been terminated in line with the terms and conditions. I don't think BMWFS was obliged to allow Mr K to pay the balance and keep the car, as there was no longer a finance agreement in place.

I've found BMWFS did allow Mr K to provide supporting evidence he had the funds available, and it considered his request to pay the full balance and keep the car. But it ultimately decided not to accept the payment when considering the overall circumstances and Mr K's finances. I don't think it was unreasonable for BMWFS to review the request, as Mr K had been in arrears for over a year, and had told BMWFS he was experiencing some financial difficulties. So, I don't think Mr K was treated unfairly here.

Belongings

I've also thought about what happened to Mr K's belongings in the car. I understand Mr K wanted the collections process paused, and I've found BMWFS did contact its agent asking it to stop collections activity after the car was collected. As I've explained above, BMWFS wasn't obliged to do this as the agreement had already been terminated, but I think it supported Mr K by asking the agent not to proceed to sale, to allow Mr K time to get his things.

BMWFS contacted the collection agent a few times to arrange for Mr K to get his belongings, but it didn't always receive a response right away. After some back and forth, Mr K said he wanted to pick up his belongings on 19 December 2025, and BMWFS made the arrangements with the agent. BMWFS emailed Mr K on 17 December 2025 confirming he should collect his belongings from the agent on 19 December 2025, but it didn't get a response from him.

I understand Mr K says he missed the last email and was busy at this time of year. But I think BMWFS made efforts to arrange an appointment between Mr K and the agent. I also think Mr K ought reasonably to have been aware of the appointment, or expected it to be booked, as he had requested the date himself. So, I don't think BMWFS did something wrong here.

I've also considered that BMWFS sent Mr K a termination notice in November 2025, which said: "*Please ensure the Vehicle is made available and that you remove all personal items, as we cannot take responsibility for items left in the Vehicle after we have collected it*". There was around one month between the agent collecting the car and disposing of the contents – so I think Mr K had reasonable opportunities to arrange collection with the agent during this time.

I appreciate Mr K must be disappointed that he couldn't keep the car or his belongings. But I don't think BMWFS has treated him unfairly overall. As such, I won't be asking BMWFS to do anything to resolve his complaint.

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 K to accept or reject my decision before 13 May 2026.

Hannah Dunkley
Ombudsman