

The complaint

Mr M complains that a car that was supplied to him under a hire purchase agreement with BMW Financial Services (GB) Limited, trading as Alphera Financial Services, wasn't of satisfactory quality.

What happened

A used car was supplied to Mr M under a hire purchase agreement with Alphera Financial Services that he electronically signed in January 2025. The price of the car was £24,500, Mr M made an advance payment of £1,000 and he agreed to make 48 monthly payments of £396.01 to Alphera Financial Services. There was also an optional final payment of £11,366.

Mr M complained to Alphera Financial Services about issues with the car in June 2025 and said that he wanted to reject it. Alphera Financial Services said that the dealer had completed the repairs on the car and had advised that the engine management light issue was due to a loose hose, which had been secured, and the fuel filler funnel seal had been repaired. It refunded £495 to Mr M for the five weeks that the car had been with the dealer.

Mr M wasn't satisfied with its response so referred his complaint to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He said that the car wasn't of satisfactory quality, but the repair was an appropriate remedy, so he couldn't recommend that the car should be rejected.

Mr M says that he disagrees with the investigator's recommendation and he's requested that an ombudsman issues a final decision on his complaint. He says that:

- repair wasn't an appropriate or reasonable remedy in the circumstances as he returned the car to the dealer and hasn't used it since June 2025;
- the car had repeated issues so he's lost confidence in it and there's been a breakdown in his relationship with the dealer;
- he wasn't provided with any repair documentation and the responsibility to evidence repairs lies with the dealer;
- he remains concerned that the finance agreement continued for a car that he doesn't have, hasn't used since June 2025, and doesn't wish to take back; and
- Alphera Financial Services has terminated his finance agreement, reported a default on his credit file and intends to recover and sell the car at auction, with any alleged shortfall to be pursued against him.

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.

Alphera Financial Services, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr M. Whether or not it was of satisfactory

quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr M was first registered in September 2019, so was more than five years old, the invoice shows that its mileage was 31,650 miles and the price of the car was £24,500. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time, but exactly how long that time is will depend on a number of factors.

The car had passed an MOT test, with no advisories, in January 2025, before it was supplied to Mr M, when its mileage was recorded as 31,648 miles. Mr M says that the car developed serious mechanical faults and he had to take it back to the dealer many times for repairs. He says that the engine warning light had come on again and the dealer told him that the car had been repaired, but the problem persisted, so he returned the car permanently to the dealer in June 2025 and he complained to Alphera Financial Services.

Mr M hasn't been able to provide evidence of the serious mechanical faults and the dealer's repairs. He says that he wasn't provided with any repair documentation and the responsibility to evidence repairs lies with the dealer, but I consider that it's reasonable to expect that Mr M would have some evidence of the faults and repairs.

Alphera Financial Services responded to Mr M's complaint within four weeks and said that the dealer had completed the repairs on the car and had advised that the engine management light issue was due to a loose hose, which had been secured, and the fuel filler funnel seal had been repaired. It offered to refund £495 to Mr M for the five weeks that the car had been with the dealer and a payment of £495 was made to Mr M. I've seen no evidence to show that the dealer's repairs hadn't dealt with the fault with the car or that there are any other issues with the car.

I consider that Alphera Financial Services' response to Mr M's complaint was fair and reasonable in these circumstances. It was Mr M's decision not to collect the car, although I understand that he accepted the payment of £495 from Alphera Financial Services, and I'm not persuaded that he had the right to reject the car at that time. I find that it wouldn't be fair or reasonable in these circumstances for me to require Alphera Financial Services to allow Mr M to reject the car or to take any further action in response to his complaint.

Mr M says that Alphera Financial Services has terminated his finance agreement, reported a default on his credit file and intends to recover and sell the car at auction, with any alleged shortfall to be pursued against him. Alphera Financial Services says that the hire purchase agreement was terminated in January 2026 due to non-payment of the outstanding arrears and non-remedy of other breaches of the agreement. Mr M complained to Alphera Financial Services in June 2025 and he referred his complaint to this service in September 2025. The hire purchase agreement hadn't been terminated then, so Mr M's complaint didn't include a complaint about the termination of the agreement, and I'm unable to make any findings on that issue in this decision. If Mr M wants to complain about the termination of the agreement, he should first complain to Alphera Financial Services about it and then, if he's not satisfied with its response, he may be able to make a separate complaint to this service. I suggest that Mr M contacts Alphera Financial Services to discuss the options that are now available to him.

My final decision

My decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 May 2026.

Jarrod Hastings
Ombudsman