

The complaint

Mr A complains about a car supplied to him using a hire purchase agreement taken out with BMW Financial Services (GB) Limited (“BMWFS”).

What happened

Mr A acquired a used car in August 2018, using a hire purchase agreement with BMWFS. At the time, the car was around four years old, its cash price recorded on the agreement was £31,600, the agreement was for 49 months, made up of 48 regular, monthly repayments of £451.76, followed by a final repayment of £13,913.12. The car’s mileage at the time was around 42,100 miles.

Repairs were carried out to the car’s exhaust gas recirculation (“EGR”) system in January 2020, when the car’s mileage was 56,465 miles. These repairs were carried out due to a safety recall issued in relation to the car.

In September 2022, Mr A refinanced the final payment amount using another hire purchase agreement with BMWFS. At the time, the car was eight years old, the agreement was for 36 months, made up of regular, monthly repayments of £439.57. The car’s mileage at the time was around 82,500 miles.

Mr A said he continued to experience issues with the car once the recall repairs were completed and the engine management light (“EML”) illuminated on the car’s dashboard. Mr A said he took the car back on several occasions, and each time it was returned, he said the EML appeared again.

In March 2023, when the car’s mileage was around 88,000 miles, further repairs were carried out to the car’s EGR system as a precautionary measure. Further repair works were carried out to the EGR system in September 2023, at around 93,000 miles. The car also went in for other work throughout 2023, which were unrelated to the EGR system.

As Mr A said the EML continued to illuminate, he got back in touch with the dealership to resolve the issue in June 2024.

Mr A said he was eventually told that the issue with the car wasn’t in relation to the recall repair that took place. The fault was diagnosed to be due to a leaking cam cover which had in turn contaminated the wiring loom. The fault meant that both the cam cover and wiring loom needed to be replaced.

BMWFS responded to Mr A in September 2024 and explained that they would need to see evidence which showed that the current fault with the car was present or developing at the point of supply.

Unhappy with BMWFS’s response, Mr A referred his complaint to our service in March 2025.

An investigator issued their view where they explained that they didn't uphold Mr A's complaint. They didn't think the current issue with the car was linked to any of the repairs carried out to the EGR and that the fault wasn't present or developing at the point of supply.

Mr A commissioned an independent expert to investigate the car towards the end of October 2025, when the car's mileage was 103,563 miles. The report said that it was possible that the previous EGR recall repairs had caused the underlying engine issues Mr A has experienced, but that it was difficult to determine that during the examination.

An investigator issued another view where he explained that the outcome hadn't changed. Among other things, he explained that the independent report commissioned was inconclusive on whether the EGR issues were linked to the other issues Mr A experienced. And he noted that the information recorded on the report was incorrect in relation to when the car was supplied and at what mileage Mr A began to experience issues with the car.

Mr A disagreed with the investigator's findings. And so, the complaint was passed to me to decide.

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'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr A complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr A's complaint about BMWFS.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – BMWFS here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr A acquired was used, around four years old when he was initially supplied it, and it had been driven around 42,100 miles. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

Had the car developed a fault?

To consider whether the car was of satisfactory quality when it was supplied, I would normally first consider whether the car developed a fault. But in the circumstances, neither party has disputed that Mr A experienced issues with the car and that it was diagnosed to have a leaking cam cover which had in turn contaminated the wiring loom meaning both needed to be replaced.

So, I'm satisfied the car had a fault with it in around November 2024 in relation to the above.

Was the car of satisfactory quality at the point of supply?

Given that the issue with the leaking cam cover wasn't diagnosed until 2024, after the car had been driven around a further 58,000 miles, I'm not satisfied that the issue with it was present or developing at the point of supply.

Mr A strongly believes the leaking cam cover was linked to the previous repairs that had been completed to the car in relation to the EGR system. However, I haven't seen enough to persuade me that the two issues were linked and that failed repairs caused the leaking cam cover.

While I accept I'm not an expert mechanic, from a general search online, a leaking cam cover can occur when the gasket becomes brittle over time, as it has to withstand high temperatures and pressure. My understanding is that it is more common in cars that have been on the road for a long time or those that have a high mileage.

Considering things here, I think it is more likely that the failure to the cam cover was because of wear and tear rather than an issue which was present or developing at the point of supply which makes the car of unsatisfactory quality.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require BMW Financial Services (GB) Limited to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 March 2026.

Ronesh Amin
Ombudsman