

The complaint

Mr M complains that a van acquired under a hire purchase agreement with BMW Financial Services (GB) Limited trading as Alphera Financial Services (“Alphera”) wasn’t of satisfactory quality when it was supplied to him.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In March 2024, Mr M entered into an agreement to acquire a used van from a dealership (C). He used a credit broker to source a finance agreement for him. He paid a deposit of £5,900, with the purchase balance being provided by Alphera under a hire purchase agreement. The van was over two years old and had covered approximately 21,000 miles when the agreement started. The agreement was for 49 months, with 49 monthly repayments of £301.56. The cash price of the van was £17,900.

Shortly after taking delivery of the van, Mr M noticed some faults with it. It was leaking from the roof, the glove box light was faulty, and it seemed that one of the tyres was the incorrect size. The engine management light (EML) was also illuminated. Mr M took the van to a closer dealership (F) to him, and C covered the cost for the work. F replaced the faulty light, replaced the tyre, plugged the leaks in the roof, and they undertook a regeneration of the diesel particulate filter (DPF) too, which cleared the EML.

However, in April 2025 Mr M has said the EML was illuminated again. He took it to a third-party garage who gave the van a carbon clean and an off-van DPF clean. They also replaced some of the temperature sensors. But the EML reappeared, so Mr M took it to another garage. They suggested the EGR valve needed replacing, and Mr M went ahead with this work.

Unfortunately, the EML continued to be displayed on the dashboard, so Mr M complained to Alphera. While Alphera were considering his complaint, Mr M took the van back to F, and they replaced the DPF filter. The van had covered approximately 31,500 miles at this time – Mr M had covered approximately 10,500 miles in the time he’d been in possession of it. Alphera didn’t uphold Mr M’s complaint. They said there wasn’t any evidence to suggest the faults with the van had been present or developing at the point of supply.

Mr M brought his complaint to our service. Our investigator didn’t uphold it. He said that, even if he considered the initial faults to have been present or developing at the point of supply, there wasn’t enough evidence to show the subsequent faults had occurred as a result of a previous failed repair, or that they had been present or developing at the point of supply.

Mr M didn’t agree. He said no-one would expect a van with only 31,000 miles on the clock to need approximately £5,000 repair work.

As Mr M didn’t accept, the complaint has been 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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

As the hire purchase agreement entered by Mr M is a regulated consumer credit agreement this service is able to consider complaints relating to it. Alphera are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

Although the van was predominantly for business use, I am satisfied there are relevant implied terms that apply here in respect of the requirement to supply goods of 'satisfactory quality.'

The quality of goods will be satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a van, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the van's history.

The quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

Our investigator has said that, even if he were to consider the faults with the van in April 2024 had been present or developing at the point of supply, he hasn't seen enough to show any repairs had failed, and that the subsequent faults Mr M has reported are linked. I agree in this case. I'm satisfied the van was faulty from the point of supply – it had a leak that needed repairing along with a tyre that wasn't the correct size and a faulty glove box light. All of this was within a couple of weeks of Mr M being supplied with the van. However, I'm not persuaded the evidence he's provided for the subsequent faults show those repairs have failed. I'll explain why.

Mr M initially accepted repairs to the van in April 2024. The van underwent a DPF regeneration at this time too, but I'm not persuaded the DPF regeneration can be considered a repair as there are many reasons why it could be needed. Driving style, length of journeys and how much fuel the van was carrying are all reasons why the DPF might have become blocked.

The opportunity to repair the van allows the van to be brought back into conformity with the contract – and I'm not persuaded the faults later reported by Mr M show that the repairs completed in April 2024 had failed.

Importantly in this case, Mr M didn't bring any of the problems with the van to Alphera's attention until June 2025, which is fifteen months after he had been supplied with it. And by the time they issued their final response letter to him in early August 2025, he had had all the

necessary work undertaken at considerable cost to him. While I understand why Mr M has done that – he needed the van for work – it was for him to show the faults would have been present or developing at the point of supply. And it's only if the evidence confirms the faults were present or developing at the point of supply that I can direct Alphera to be responsible, and I'm not persuaded the evidence does confirm that. The reports confirm the faults, but they don't provide any reason why the faults have occurred, or when they would have occurred.

Not only that, but Mr M has also had the van inspected and repaired by three different garages prior to Alphera being aware of any faults. A lot of the work undertaken has been to remove the DPF filter and clean it, have the DPF replaced, or to have the EGR valve replaced. Looking at some of the reports, it seems that at least some of the work undertaken was based on speculation. It was suggested to Mr M that the EGR valve needed replacing but once completed it didn't fix the problem and the EML continued to illuminate. I have to consider that the faults then seen with the van could have been as a result of the previous repairs – and this isn't Alphera's responsibility. This, coupled with the fact that Mr M had been able to cover approximately 10,500 miles in the van since the initial repairs in April 2024, and the van had passed an MOT in March 2025, persuades me the faults Mr M encountered from April 2025 onwards hadn't been present or developing at the point of supply, and they weren't linked to the repairs carried out in April 2024. I'm more satisfied than not that the faults would have occurred sooner if they had been inherent in the van.

I'm not saying something definitely didn't go wrong – and it's clear the van has had faults. But I don't think it was unreasonable for Alphera to have expected there to be more detailed supporting evidence for the faults and confirming that they were present or developing at the point of supply.

I know this decision will come as a disappointment to Mr M and he has faced significant cost to make the van roadworthy. But I can only direct Alphera to help with those costs, or accept rejection of the van, if I'm satisfied the faults Mr M has had repaired would have been present or developing at the point of supply. I'm not persuaded the evidence in this case confirms that, so I'm not asking Alphera to do anything further.

I'd like to remind Mr M that he doesn't have to accept this decision if he believes he can achieve a better outcome by alternative means, such as through the courts.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 May 2026.

Kevin Parmenter
Ombudsman