

## **The complaint**

Mr A complains about charges BMW FINANCIAL SERVICES (GB) LIMITED trading as ALPHERA Financial Services (who I'll call BMWFS) asked him to pay when he voluntarily terminated his finance agreement. He also says that they should have divulged the prior use of the car as a taxi.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A took receipt of a used car in September 2021. He financed the deal through a hire purchase agreement with BMWFS.

After he voluntarily terminated the agreement BMWFS collected and inspected the car. They sent Mr A a bill to cover damage to three panels and for missing service history.

Mr A complained to BMWFS. He was unhappy to learn the car had previously been used as a taxi, didn't agree with all the damage charges and didn't think the missing service charge was fair.

When BMWFS didn't uphold his complaint Mr A referred it to this service. Our investigator thought, given the age of the car at supply, BMWFS should waive all of the damage charges and they agreed to do that. However, she wasn't persuaded that they'd been unreasonable not to tell Mr A about the car's use as a taxi, and she didn't think they'd been unfair to charge £500 for the missing service.

As Mr A didn't agree with the investigator's assessment, his complaint has been referred to me, an ombudsman, to make a decision.

## **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.

I agree with the investigator's view of this complaint, for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

BMWFS have agreed to waive the outstanding damage charges other than that imposed to refurbish damage to the wing. Mr A accepts liability for that charge. So here I will only be

considering Mr A's concerns about the car being previously used as a taxi, and the charge for missing service history that has been imposed.

### ***The car's use as a taxi***

Section 56 of the Consumer Credit Act (1974) explains that finance providers are liable for what they say and for what is said by a credit broker or a supplier before the consumer takes out the credit agreement. Misrepresentation is, in very broad terms, a statement of law or of fact, made by one party to a contract to the other, which is untrue, and which materially influenced the other party to enter into the contract. So, if Mr A was provided with a false statement of law or fact by the dealership when they set up the finance agreement, I may think the agreement had been misrepresented to Mr A and, in those circumstances, I may ask BMWFS to take some action.

I am not persuaded that the agreement was misrepresented to Mr A. I have seen no evidence that the vehicle was described as having had only private use nor that any positive representation was made about its prior ownership which proved to be inaccurate. In the absence of such a representation I do not consider the business was under a general obligation to volunteer that the car had previously been used as a taxi.

### ***The service history***

Clause 4 (a) of the terms of the finance agreement required Mr A to:

*'keep the vehicle in good repair and condition and have it serviced, maintained and repaired in accordance with the manufacturer warranty..., and keep a full service and repair history, which you must also supply to us if we ask.'*

The BVRLA who provide guidance on charges that are appropriate when cars are returned at the end of their lease, say:

*'the vehicle must have been serviced and looked after according to the manufacturer's servicing/maintenance schedule.'*

The charge for missing service history relates to the services Mr A was obliged to carry out on the car during his tenure; not to service history that is missing that predated his agreement.

While Mr A has explained that he had the car serviced once at a local garage he has also explained that he has no paperwork to demonstrate that was the case and he hasn't been able to provide evidence of other services that would have been due.

I'm not therefore persuaded that BMWFS were unreasonable to impose a charge of £500 for missing service history as there wasn't any provided when the car was returned and that would be likely to reduce the resale value.

### **My final decision**

For the reasons I've given above, I uphold this complaint in part and tell BMW FINANCIAL SERVICES (GB) LIMITED to reduce the balance Mr A owes to £660, representing £160 for the wing damage and £500 for the missing service history.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 March 2026.

Phillip McMahon  
**Ombudsman**