

The complaint

Mrs P complains that BMW FINANCIAL SERVICES (GB) LIMITED trading as MINI Financial Services (“BMWFS”) failed to act fairly and reasonably towards her when entering into a hire purchase agreement with her.

She complained that BMWFS didn’t disclose the commission it paid to the broker that introduced her business.

What happened

In September 2013, Mrs P sought finance in order to acquire a brand-new car. The purchase price of the car was £12,202.80. Mrs P paid a cash deposit of £607.40. She financed the remaining £11,595.40 and after BMWFS accepted her application she entered into a hire purchase agreement with it for this this amount.

The agreement had a term of 48 months and had interest charges of £1,233.16 and a purchase fee of £10.00. This meant that the balance to be repaid of £12,838.56, which does not include Mrs P’s deposit, was due to be paid in 47 monthly payments of £179.98, followed by an optional final payment of £4,379.50 which Mrs P would have to pay if she wanted to keep the car.

One of our investigators considered this complaint and thought BMWFS hadn’t treated Mrs P unfairly when entering into this hire purchase with her. So they didn’t recommend that Mrs P’s complaint should be upheld.

Mrs P disagreed with our investigator and the complaint was passed to an ombudsman for a final 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.

Having carefully considered everything, I’ve decided not to uphold Mrs P’s complaint. I’ll explain why in a little more detail.

Mrs P complained about the impact an undisclosed Discretionary Commission Arrangement had on the interest she paid on her agreement. She asked for BMWFS to refund what she’s been overcharged as a result of this undisclosed commission arrangement.

BMWFS has provided our service with evidence confirming it didn’t pay Mrs P’s broker any commission for introducing her business. Where Mrs P’s complaint was that a Discretionary Commission Arrangement impacted the amount of interest she had to pay, and BMWFS has evidenced that no commission was paid, it can’t be the case that a Discretionary Commission Arrangement impacted the amount of interest she paid.

Mrs P disputed that there was no commission paid. This was in part because BMWFS said she was notified of the potential for commission being paid when she first entered into the agreement. While BMWFS said it disclosed the potential for commission being paid when the agreement was entered into, this doesn't say anything about whether or not any commission actually was paid and it doesn't lead me to conclude that commission was in fact paid.

In response to the investigator's view on the complaint, Mrs P said that finance was available at lower interest rates and that this is indicative of her losing out. She asked our service to look at the accounts of the finance provider and analyse the paperwork and commission arrangements in other complaints in order to understand the commission payments involved for her agreement and whether she's been unfairly overcharged in interest as a result of the commission arrangement in place.

I understand that Mrs P was disappointed with the view reached by the investigator and wishes to ensure that she's not lost out a result of being unfairly treated. However the evidence we have is sufficient to determine the outcome of her complaint.

BMWFS's system notes confirm that Mrs P's agreement was written under a campaign. We've been told that because of how long ago it was in place, the terms of that campaign can no longer be provided, which I think isn't unreasonable. However the system notes we've been provided with also show that the campaign clearly entailed agreements to be written at 3.9%, which was the APR on Mrs P's hire purchase agreement. And I'm satisfied the agreement was written as part of this campaign.

More importantly, however, is that BMWFS has provided multiple screenshots from its internal systems which confirm that £0.00 commission was paid to the broker. Mrs P's complaint was specifically that the commission arrangement led to her being overcharged in interest. However where no commission was paid to the broker, the commission can't have impacted on the interest paid under the agreement.

While I accept that there may have been lower interest rates available at the time, Mrs P knew the rate being offered and so was in a position to seek alternative credit if the rate BMWFS was offering wasn't acceptable to her. I acknowledge what Mrs P has said about her circumstances at the time, however she accepted the rate offered despite what she's said about other rates that may have been available. And, as no commission was paid, I'm not in a position to say that the interest rate she received was influenced by commission.

In any event, my role here is to determine what's fair and reasonable in all the circumstances of Mrs P's complaint. Overall, and having carefully considered everything, I've not been persuaded to uphold Mrs P's complaint. I appreciate that this will be disappointing for her. But I hope she'll understand the reasons for my decision and at least consider that her concerns have been listened to.

My final decision

My final decision is that I'm not upholding Mrs P's complaint about BMW FINANCIAL SERVICES (GB) LIMITED trading as MINI Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 10 April 2026.

Scott Walker
Ombudsman

