

## **The complaint**

Mr H is complaining about the quality of a vehicle supplied to him by BMW Financial Services (GB) Limited (BMWFS).

## **What happened**

In December 2022, Mr H acquired a new car through a hire purchase agreement with BMWFS. The cash price of the car was around £73,600. The agreement required him to pay £999 per month for 46 months and then a final payment of around £38,000.

In December 2023, the car broke down. It was fixed under warranty and returned to Mr H. The car broke down again in February 2025 and was again repaired under warranty. The same happened towards the end of May 2025. Mr H complained to BMWFS at this point, saying the car had suffered a third significant failure. He said he'd lost confidence in the vehicle and sought a suitable resolution from BMWFS. Before BMWFS replied, the car broke down a fourth time in June 2025, and this time Mr H was refused repairs under the warranty. He complained again to BMWFS.

BMWFS's initial response said they hadn't received any reports of faults with the vehicle until more than two years after it had been supplied to Mr H. They said Mr H would need to provide evidence that the current fault with the car existed when the vehicle was supplied to him. Mr H was unhappy with this, saying the recurring faults indicated a lack of durability and fitness for purpose.

BMWFS then issued a final response to Mr H. In this, they said Mr H had covered 1,649 miles since the rear differential was replaced despite having been told a running-in service was required after 1,200 miles. And they commented on the condition of the vehicle, describing parts that appeared to have been repaired, their view that the car had been in an accident, and concerns about the tyres. They said they found no manufacturing issues or warrantable defects with the vehicle and rejected Mr H's complaint. But they paid him £150 to compensate him for the time it had taken to respond to his complaint.

Mr H remained unhappy and brought his complaint to the Financial Ombudsman Service. In doing so, he provided comments on the running-in service and on the condition of the car. He also said one of the keys for the vehicle hadn't been returned by a recovery company after the February 2025 breakdown.

One of our investigators looked at Mr H's complaint but didn't uphold it. In summary, he said that based on the evidence available he wasn't persuaded the car wasn't of satisfactory quality when it was supplied to Mr H.

Mr H didn't accept our investigator's view. He said it was inappropriate to require him to provide evidence that the fault was present or developing at the time of sale because the car had experienced repeated failure of major drivetrain components within the manufacturer's warranty period and at relatively low mileage. He also noted that the car was an expensive high-performance vehicle and should last well beyond 22,000 miles. And he said that the fact that the manufacturer of the car replaced several parts under warranty demonstrated that the vehicle wasn't reasonably durable.

Mr H also said that BMWFS needed to substantiate any assertions that the failures were caused by driving style, tyres, or any other external influence. He provided comments in relation to BMWFS's observations of the vehicle condition. Mr H also complained about BMWFS defaulting the agreement after he'd stopped making the contractual repayments and said this was contrary to Financial Conduct Authority (FCA) principles and rules. He asked for an ombudsman to review the matter – and it's now come to me.

### **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, and acknowledging it'll be very disappointing for Mr H, I'm not upholding his complaint for broadly the same reasons as our investigator. The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. BMWFS were the supplier of the goods under this agreement and are therefore responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory*". To be considered satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, taking into account any description of the goods, the price and other relevant circumstances. The CRA explicitly says that the quality of goods includes their durability.

Mr H bought a premium car that was brand new. So, it's fair to say a reasonable person would expect that the car wouldn't need significant repairs for a lengthy period.

Instead, significant repairs were needed within 12 months and when the car had travelled less than 10,000 miles. I can see the right rear differential actuator motor and propeller shaft were replaced. The rear differential is a known issue with the type of car supplied to Mr H and, in the absence of sufficient evidence to the contrary, it's reasonably likely that the car wasn't sufficiently durable at the point of supply.

However, when goods aren't of satisfactory quality, the supplier has the right to attempt a repair. In this case, Mr H's car was repaired and then travelled a further 11,500 miles over a period of 14 months before any further issues arose. I have to decide whether these further issues were likely caused by failed repairs and an inherent lack of durability, or whether they arose because of wear and tear, the way the car has been driven, or other damage to the vehicle.

BMWFS have provided evidence and explanations as to why they believe the problems with the rear differential have arisen from Mr H's use of the car. In summary, they've:

- Alleged that Mr H was renting the car out as part of his business.
- Sent video clips showing this or a similar car being driven in an aggressive way.
- Provided photos and videos of an examination of Mr H's car which appear to show it's been in a collision.
- Provided photos and videos of tyres and brake discs on Mr H's car and said this shows poor maintenance and/or inappropriate driving of the vehicle.
- Said that Mr H told them in his complaint that the car was in immaculate condition, had under-average mileage and all servicing had been carried out at main dealers. BMWFS said they didn't agree with this statement.

- Noted that the car was supposed to have a “running-in” service 1,200 miles after the February 2025 repairs, but this was missed.

Mr H hasn't provided any documentary evidence to support his position that the car wasn't sufficiently durable. I appreciate the car was at a garage rather than at his home, but he could have arranged an independent inspection. He has provided his testimony and arguments. In summary, he's said:

- He wasn't renting the car out.
- The video clips aren't of him driving his car.
- The car hasn't been in any accidents.
- The latest tyres on the vehicle were all fitted by a professional fitter in May 2025. BMWFS haven't provided enough technical details or evidence linking the tyres to the failure of the differential.
- The car was at a main dealership when it had done around 600 miles after the February 2025 repairs, but they wouldn't do the running-in service at that time. It was booked in for July 2025 but failed before that.

Having considered all the evidence, I'm not persuaded that the repeated failures of the rear differential mean that the repairs failed. Whilst some of BMWFS's allegations are unsubstantiated and some of their evidence is circumstantial, I've seen enough from the pictures and videos of the car as well as repair invoices and mechanics reports to conclude that it's likely the problems arose from Mr H's use and maintenance of the vehicle.

In particular, I've seen evidence of impact damage on the underside of the vehicle, and on the wheels. The videos and photos from the workshop show the car being driven with a damaged tyre and illegal tread depth on one side and evidence of uneven wear on the tyres. And they show the brake discs were very worn despite the typical lifespan of rear brakes on this type of car being 40,000 – 60,000 miles. By the time the car had done 22,000 miles, the tyres had already been changed at least once since new, and the tyres on the car were close to or below legal limits as well as one of the tyres having significant damage to its wall. The typical lifespan of factory fitted tyres is generally around 12,000 to 20,000 miles with this being heavily dependent on driving style. Taking all of this evidence together, I'm satisfied the car was likely being driven in an enthusiastic and aggressive manner – and more so than is typical for this type of car. As with most vehicle components, the expected lifespan of the rear differential on this car is significantly impacted by driving style.

In addition, I've seen no evidence that a running-in service was carried out after the first rear differential repair in December 2023, and it's clear that this didn't happen after the February 2025 repairs. I appreciate the reasons for this – 600 miles was too soon, and then Mr H needed to use the car and it was booked in for a later date – but it's part of the broader picture with this vehicle.

So, in summary, I can't confidently say the repairs carried out in December 2023 failed. Instead, the evidence strongly suggests that the problems have arisen from the way the car was driven and maintained.

Mr H also mentioned that one of the keys went missing during the recovery of the vehicle in February 2025. I'd only be able to direct BMWFS to compensate him for this if it was a consequence of the December 2023 repairs having failed. But as I've concluded those repairs didn't fail, I'm not directing BMWFS to compensate Mr H for the loss of this key.

Finally, I note that the agreement has now been terminated and I'd like to remind BMWFS of their obligations to treat Mr H with forbearance and due consideration when seeking to recover any arrears. I can't consider Mr H's complaint about the agreement having been defaulted as BMWFS haven't had the opportunity to respond to this.

### **My final decision**

As I've explained above, I'm not upholding Mr H's complaint about BMW Financial Services (GB) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 May 2026.

Clare King  
**Ombudsman**