

complaint

Mr W complains about the refurbishment charges BMW Financial Services (GB) Limited, trading as Alphera levied when he handed his car back. He also complains that they failed to update his address details.

background

Mr W took receipt of his new vehicle in January 2014. He financed the deal through a hire purchase agreement with Alphera and he returned his car, as was his right under a voluntary termination clause, in May 2017.

But after he'd returned the car he was surprised and disappointed to receive a bill from Alphera for over £500 for refurbishment to the car, as they said several items were damaged beyond reasonable wear and tear.

But Mr W didn't get the bill until mid July because Alphera didn't have a record of his new address. And that meant that Alphera reported missed payments.

Mr W says that he informed Alphera about his change of address through their website in February 2014 but unfortunately he's not retained a record of this. But he says they should have realised he'd changed address when he sent his V5 registration document to them as this had the new address on it. He says they should have tried to email him or call him to make the payment but they didn't so he'd like them to remove the adverse credit information from his credit file.

Mr W also disputes the charges that were made for refurbishment as he says he was not present at the inspection and Alphera haven't given him a chance to have the car independently examined. He says the guidelines they rely on to inspect the vehicle, from the British Vehicle Rental and Leasing Association (BVRLA), suggest that he should have been at the inspection and be allowed to obtain an independent inspection. And he also questioned why these charges were made because it was clear the repairs weren't completed before the car was sent to auction.

Alphera didn't agree that they had done anything wrong. They had no record of any notification of a change of address and they reviewed the damage report provided by the inspector and thought the issues identified were outside of the wear and tear guidelines and should therefore have been charged.

So Mr W referred his complaint to this service. Our investigator reviewed the damage report and thought the charges had been fair and that the refurbishment identified was reasonable. He didn't think Mr W had to be present during the inspection and he noted that, as the car had now been sold on, it would not be possible for Mr W to arrange his own inspection and regardless he didn't think Alphera had to provide Mr W with an opportunity to do this. He didn't agree with Mr W that Alphera had to repair the faults they'd identified before auction as he noted that as a result of these faults the car would be unlikely to raise the sum Alphera had expected and they'd make a loss.

But Mr W disagreed and he asked for a decision by an ombudsman. He said that he wasn't notified of the inspection until after it had happened and therefore was denied an opportunity to attend. And he said the BVRLA guidelines say that the customer *must* attend the inspection and he'd therefore been denied his rights. Mr W said that Alphera should have

updated his address as soon as they had received his V5 documentation as the Data Protection Act required them to take reasonable steps to ensure the accuracy of the data they maintained.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I know it will disappoint Mr W but I agree with the investigator's view of this complaint and for similar reasons. I'll explain why.

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.

The hire purchase agreement Mr W signed explained that the car would need to be in a good condition when it was returned at the end of the contract period. It said if the vehicle was not returned in a good condition (allowing for fair wear and tear) they would be entitled to charge for their "*reasonable estimate of the resulting reduction in value*" or "*repair or replacement of parts*".

The industry standard used to establish fair wear and tear when a vehicle is returned is provided by the BVRLA. Alpheria explained this to Mr W in an email they sent him on 3 March a month before the car was handed back. And they provided a link to the guidelines so that Mr W could ensure the car was returned in the right condition and avoid charges.

The inspection is independent of Alpheria and photographs are provided to justify the inspector's findings. I've not been provided with any alternative photographic evidence to dispute the pictures in the report so I have reviewed the ones I have. And I think that in each case the damage identified is clearly beyond the fair wear and tear standard. For that reason I think Alpheria were right to make the charges they did as they were a "*reasonable estimate of the resulting reduction in value*". They informed Mr W more than a month before the inspection was due to take place and had he wished to arrange his own inspection he was free to do so. I don't think Alpheria had to provide him with an opportunity to arrange an inspection after the one that was completed.

It's usual for these inspections to be carried out by a third party independent company and Mr W's inspection was no different. I agree with the investigator's findings, and for the same reasons, that there isn't a requirement for the customer to be present at the inspection and as Mr W had left the car at the dealership for the inspection to be completed, I think it was reasonable for the inspection to take place and for Alpheria to notify Mr W of the results.

Alpheria has no record of Mr W's change of address. There's no record on their system of an attempt to change address and whilst Mr W is sure he did tell them in 2014 it would be unreasonable of me to tell Alpheria they were wrong in the absence of this evidence. Whilst I understand Mr W's assertion that they have a requirement to ensure the information they hold about him is accurate, I am not convinced that this extends to checking the vehicle registration documents against his address. It was Mr W's responsibility to inform them of any change in address and there's no evidence he did this, so it would not be fair of me to

hold Alphera accountable for the communication difficulties experienced or ask them to remove the missed payment information they have reported to Mr W's credit file.

So overall I don't think Alphera has done anything wrong here and I won't be asking them to take any further action.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 May 2018.

Phil McMahon
ombudsman