

complaint

Mrs F acquired a car through a finance agreement provided by BMW Financial Services (GB) Limited trading as Alphera Financial Services (Alphera). She complains that Alphera failed to properly set up the direct debit when she entered into the agreement. She also complains that she had to clarify/correct the registration number held by Alphera and that it took some time for it to update its records.

background

In September 2015, Mrs F acquired a car financed by Alphera. The first payment under the agreement was due to be taken in October 2015. It was not taken. In addition, Alphera had the incorrect registration number recorded on the credit agreement and their system.

Mrs F complained to Alphera. It did not uphold her complaint. It said it had checked the bank details provided on the direct debit mandate with the details on its system and that they were the same. It directed her to her bank to see why the payment had not gone through. With regards to the registration number being incorrectly recorded, it said it would update its records as soon as it received the registration document. It offered to pay her £50 as a goodwill gesture.

Mrs F did not accept the goodwill gesture. She set up the standing order and returned the paperwork confirming the correct registration number. She then contacted us and asked us to look at her complaint.

Our adjudicator upheld Mrs F's complaint in part. He did not think that Alphera had done anything wrong in respect of the direct debit. He did however think that the way Alphera had communicated with Mrs F about the registration number was poor. He felt that £50 was adequate compensation in the circumstances. Mrs F did not agree and so the matter needs an ombudsman's decision.

my findings

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

When Mrs F entered into the credit agreement she provided her correct bank details on the direct debit mandate. Although Mrs F said she had adequate funds in her account the direct debit did not go through. She thought that there was an issue with the instruction sent by Alphera.

As I understand it, Mrs F also raised the issue with her bank. It initially told her that direct debit had been cancelled and later told her that the payment had been taken, which it corrected when she pointed out to it that the money had not left her account. Although she initially raised a complaint with us about her bank she did not take that any further. She said that she had accepted compensation from the bank.

It remains unclear why the direct debit could not be put in place. Alphera said that the correct details were used in setting up the direct debit. I have seen the instruction and I can see that Mrs F's bank details were correct. Alphera has also confirmed that its own bank details were correctly provided. It said for some reason the payment had bounced. It did confirm that there were currently no issues with Mrs F's account with it.

I note the proposal number was used on the direct debit mandate but that the customer agreement number was used to set up the successful standing order. I have also seen system notes from Alphera which state that the correct reference number for use in setting up a direct debit was the agreement number.

We asked Alphera to explain the different numbers further. It said that the proposal number appears on the mandate as the agreement had not been properly set up at that stage. Once it is, the agreement number is what is sent through to the bank. Indeed, I can see from records that Mrs F provided that the agreement number was registered with her bank. On balance, I don't think that the fact that the proposal number was used on the mandate form was the problem here.

Clearly something has gone wrong, but based on what I have seen, there is insufficient evidence to for me to conclude that it was due to an error on the part of Alphera.

Mrs F was also frustrated by the fact that it took such a long time to amend the registration number on the credit agreement and Alphera's records. She said she had notified it of the error in September 2015 but it took until November 2015 for the records to be amended. In addition, she was asked to provide information that she had already provided on a previous occasion.

I can see that there was a duplication in the information requested by Alphera and that this would have been frustrating for Mrs F. I think Alphera's communication was not as it should have been. I think the £50 compensation offered by Alphera is fair and reasonable in the circumstances.

Mrs F is also unhappy about an old service agreement that the dealership did not cancel and the service that she has received from the dealership. However, as this is outside of her relationship with Alphera it is not something that I can consider.

my final decision

My final decision is that I uphold this complaint in part and direct BMW Financial Services(GB) Limited trading as Alphera Financial Services to pay £50 to Mrs F.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 29 March 2016.

Siobhan Kelly
ombudsman