

The complaint

Miss W complains that BMW Financial Services(GB) Limited trading as Alpheria Financial Services (Alpheria) didn't provide her a settlement figure she requested on several occasions, for a car she acquired with them using a hire purchase agreement.

When I refer to what Miss W and Alpheria have said, it should also be taken to include things said on their behalf.

What happened

In March 2020, Miss W entered into a hire purchase agreement with Alpheria to acquire a used car first registered in 2017. The cash price of the car was around £11,601 and the total amount payable was approximately £13,584. Miss W made an advance payment of £1,000. The duration of the agreement was set at 48 months, consisting of first payment of about £202, followed by 46 monthly payments of around £202, and an optional final repayment to purchase the car at the end of the agreement of around £3,077.

Miss W said that she decided to sell her car when she was in arrears on her finance agreement, but Alpheria didn't provide her a settlement figure even though she said she requested it several times. Miss W said that this led to her car being repossessed by Alpheria. Following the car being repossessed, it was sold at an auction and she is unhappy with the final amount she owes to Alpheria.

Miss W said that, had Alpheria provided her with the settlement figures when she was requesting them, she could've sold the car to a dealership that she was dealing with at the time. As a resolution to her complaint, Miss W believes that Alpheria should write off the balance which remains outstanding because of the way she has been treated by them. She would also like Alpheria to remove the default marker from her credit file.

On 20 August 2022, Alpheria wrote to Miss W and said that they provided her with a settlement figure on 11 August 2022. They explained that, after 14 days post termination, the settlement figure can fluctuate due to the interest rebate. They also said that on 15 August 2022 they provided Miss W with a settlement figure of £9,372.02, which was valid for 7 days until 22 August 2022. On the same day they said they spoke with Miss W over the phone to reiterate that the figure was valid for 7 days.

Also, in this correspondence they said that a call back request was submitted for her, however, they said this can take three to five working days as they work on requests in date order. But as she called back in the meantime and spoke to them on 19 August 2022, they again discussed the settlement figure with her at that point in time. They also said that, as a goodwill gesture, they allowed Miss W additional time to settle her agreement or sell the car, considering her agreement has been terminated since 29 July 2022. Alpheria went on to explain that they made many contact attempts, which were not responded to, prior to them issuing a default notice to Miss W. They said that as this was not received and the default notice was not satisfied, her agreement will remain as terminated and a default will be reported on her credit file. In the same correspondence they go on to say that Miss W will

have until 22 August 2022 to make full payment and they explained that failure to do so will result in their recovery action proceeding.

Miss W was unhappy with Alpheria, so she brought her complaint to this service.

Alpheria in October 2022 told our service that the settlement figure/s were provided multiple times to Miss W and that the final figure to pay can fluctuate due to the rebate of interest. They feel they gave Miss W more time, as a gesture of goodwill, to pay off the amount due after the finance agreement was terminated. As Miss W didn't settle the amount requested, they recovered and sold the car. The proceeds of the car sale offset the balance owing and they said Miss W is responsible for the rest.

Our investigator thought the complaint shouldn't be upheld as he didn't think that Alpheria treated Miss W unfairly.

Miss W disagreed with the investigator. So, the complaint has been passed to me to decide.

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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

I also want to acknowledge that I've summarised the events and points raised in this complaint. But I want to assure both parties that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Miss W has told us that on numerous occasions she requested a settlement figure for her finance agreement, but she said Alpheria hasn't actioned her requests. She said that this led to her car being repossessed. Following the car being repossessed, it was sold at an auction and she is unhappy with the final amount she owes to Alpheria. She said that, had Alpheria provided her with the settlement figures when she was requesting them, she could've sold the car to a dealership that she was dealing with at the time. So overall, I think she feels that, had she been able to resell the car herself, she would've been in a better position.

From the contact notes provided by Alpheria, I can see that Miss W requested a settlement figure in January 2022 and they emailed this to her. Then again, she requested one in June 2022 and this one was also emailed to her. At the beginning of July 2022 another settlement figure was requested and sent to a dealership, as requested. Towards the end of July 2022, I can see that Miss W was discussing voluntarily terminating her agreement with Alpheria at which point in time she was provided details of her settlement. This was also emailed to her. As well, I can see that she was emailed a settlement figure in mid-August 2022 on two occasions. All the emails were sent to what seems to be her email address at the time, as she was corresponding back and forth with Alpheria using the same email address. In some of the email correspondence I can see that Miss W referred to some of the details in the settlement figures provided, so I think most likely she was receiving these. As such, I can't say that Alpheria acted unreasonably in this respect.

Overall, I also don't think Alpheria treated Miss W unfairly when they decided to apply a default and repossess her car. Miss W's financial difficulties lasted for some time and a large

number of arrears had accrued. I can see that she had discussions with Alpheria where it was concluded that the agreement wasn't affordable, so I don't think it would've been fair for Alpheria to continue to allow Miss W to get further into debt. On 7 July 2022, when Miss W's finance agreement was around £1,896 in arrears, Alpheria issued her a default notice. This notice explained that her account would be terminated if she didn't bring the account up to date by 27 July 2022. So, I think the correspondence Miss W received from Alpheria gave her enough information to understand that Alpheria could terminate her finance agreement and repossess the car, if she made no payments towards the credit agreement. As no resolution or arrangement was agreed by the set date in the default notice, I don't think it was unreasonable for Alpheria to not allow further arrears to accrue. Overall, I don't think it was unreasonable for Alpheria to terminate the agreement when they did. When Miss W was trying to sell the car, I think Alpheria were patient with her as they waited to see if she will settle the agreement. They even provided her with extra time as they didn't repossess the car until September 2022. However, I don't think it would've been reasonable for Alpheria to allow the arrears to increase indefinitely, so I think their decision to terminate the contract when they did was a reasonable one. They also acted in line with the terms and conditions of Miss W's credit agreement.

I know that Miss W said that she wasn't receiving letters that Alpheria sent by post. She told us that this must be because they failed to update her address when she moved. But from the contact notes I can see that her address was updated in March 2020. And I can see that Alpheria were sending the correspondence to this updated address they had on file for her. I can also see, from the contact notes, that during a few telephone calls in June and July 2022, Miss W's contact details were confirmed as up to date. Under Miss W's finance agreement, it was her obligation to keep her address updated, so I can't say that Alpheria had done anything wrong when they sent her the default notice to the address they had on file. As such, I don't think it would be fair for me to hold Alpheria responsible for her not receiving the posted correspondence.

Miss W also feels that the interest due on her credit agreement wasn't calculated correctly. But the settlement figures Miss W was being provided would've included arrears, interest, and other additional charges and fees. And I've not seen anything to show that, Alpheria incorrectly calculated the amount of interest that they charged.

Overall, I sympathise with Miss W for the difficulties that she is experiencing. But taking all the circumstances of the complaint into account, I don't think Miss W has been treated unfairly by Alpheria.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 5 October 2023.

Mike Kozbial
Ombudsman