

The complaint

Mrs B complains about a car she hired from Motability Operations Limited, and about related issues.

What happened

In September 2022 Mrs B hired a car under a regulated hire agreement with Motability Operations. She made an advance rental payment of £2,495, the duration of the agreement was three to five years, and the agreement was non-cancellable. The car was for her daughter, who has a disability and requires a wheelchair. This meant that the car needed to meet certain requirements. The hire of the vehicle was partly funded by a grant from the Motability Foundation, a charity connected with Motability Operations.

In April 2023 the vehicle developed various faults and had to be taken to a garage. Various repair attempts and tests by the dealership did not resolve the problem, and a second dealership also became involved. Eventually the hire agreement was terminated by Motability Operations.

Meanwhile, Mrs B's daughter was provided with another hire car which was too small and did not meet her needs. This went on for about six months. Mrs B says she found Motability Operations to be unhelpful and very reluctant to discuss her complaint about the original car. She had to fill in lots of forms to get funding for a permanent replacement car, and she says Motability Operations should have dealt with this as part of putting things right, or at least given her more advice about it. She complained to Motability Operations.

Motability Operations explained that it was separate from the charity, and so it could not assist her with her complaint about funding. It accepted that the matter had dragged on for too long, and that was why the agreement had been terminated. It told her that once the car was finally repaired, Mrs B could either have it back and resume the hire agreement, or reject it and have a new replacement car. It did not offer her any compensation.

Being dissatisfied with that response, Mrs B brought this complaint to our service. Later, in October 2023, Motability Operations provided her with a new vehicle under a new hire agreement. It also paid her £70 as a gesture of good will.

Motability Operations told us that it had waived a £250 fee that would normally have been charged to Mrs B when an agreement is terminated early. It said it had assisted her in obtaining a replacement car, in addition to providing a temporary car to keep her daughter mobile in the meantime. It argued that it had done all that it reasonably could to assist her.

Later on, Motability Operations reviewed its position and offered to pay Mrs B £500 as compensation.

Our investigator did not uphold this complaint, because she thought that the offer of £500 was fair. In coming to this conclusion, she took into account that the courtesy car provided had been similar in size to the original car, and that Motability Operations wasn't obliged to provide a courtesy car which was identical to the original. She still accepted that the courtesy

car had not met all of Mrs B's daughter's needs, and that this would have caused distress and inconvenience to Mrs B, but she thought that a total of £570 was fair compensation.

Mrs B asked for an ombudsman to review this complaint. She didn't agree that the courtesy car was suitable for her daughter.

I wrote a provisional decision which read as follows.

What I've provisionally 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.

I broadly agree with what our investigator said about courtesy cars, but I still propose to increase the compensation a bit. I will explain why.

Before I start, I had better explain that I am unable to award compensation to Mrs B's daughter for any distress or inconvenience that she experienced herself. That is because she was not a party to the hire agreement, and so she is not eligible to complain under the rules that set out the limits of our jurisdiction. Therefore I can only compensate Mrs B herself, for her own inconvenience and distress. However, I can still take into account that Mrs B would have been upset (in her own right) to see her daughter's own distress. Primarily though, I am still only compensating Mrs B for her own inconvenience.

Turning to courtesy cars, there is no obligation on a car hire company to provide a courtesy car which is identical to the car originally hired while it is being repaired. The object of a courtesy car is only to keep the customer mobile. But while I don't uphold this complaint on the basis that Motability Operations had to provide a more suitable courtesy car, that still doesn't prevent me from considering the impact on Mrs B of being without her original car for six months while it was being repaired.

It is not in dispute that the car was not of satisfactory quality when it was provided, and so on that basis I propose to uphold this complaint. Under normal circumstances, I would have said that allowing Mrs B to reject the car and end her hire agreement, together with some modest compensation for her inconvenience, would be enough to put things right. However, I think that in this case the inconvenience and distress caused to Mrs B is more than it would be in a typical case. She has health problems of her own, and her daughter requires constant care, both of which make Mrs B more vulnerable than a typical consumer. Six months is an unusually protracted timescale for such a case to drag on for, and it really should not have taken as long as that to either repair the car or to allow her to reject it and get a suitable replacement. And I think somebody could have done more to help her negotiate the bureaucracy that went with sorting out a replacement car.

Taking all of this into account, I don't think that £570 is quite enough on the facts of this case. I think that £800 would better reflect Mrs B's inconvenience.

So my provisional decision is that I intend to uphold this complaint. Subject to any further representations I receive from the parties ... I am minded to order Motability Operations Limited to pay Mrs B £730, in addition to the £70 it has paid her already.

Responses to my provisional decision

Mrs B accepted my provisional decision. Motability Operations did not respond. So there is no reason for me to depart from my provisional findings, and I confirm them here.

My final decision

My decision is that I uphold this complaint. I direct Motability Operations Limited to pay Mrs B £730, in addition to the £70 it has paid her already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 2 December 2024.

Richard Wood
Ombudsman