

The complaint

Mrs F complains that Motability Operations Limited ("MOL") are at fault for what she believes is misleading information about the advance payment on a hire agreement she held with them to acquire a car.

What happened

Mrs F referred a complaint to us along with her representative. As the complainant is Mrs F, for ease, I have addressed my decision to her only throughout, when referring to what she and her representative have told us.

Mrs F wished to acquire a car using an agreement with MOL under the Motability Scheme. Mrs F explained that she had to acquire a car through an accredited dealership approved by MOL.

Mrs F noticed an advertisement from an approved dealership which listed the advance payment to acquire the car she wanted as £3,199. Mrs F said she noted this was different to MOL's own website, which listed the advance payment for the same car as £3,999.

Mrs F proceeded to acquire the brand-new car using a hire agreement with MOL, through the approved dealership. The agreement signed by Mrs F recorded the advance payment as £3,999 to be paid. Mrs F said she made a bank transfer payment of £3,249 to the supplying dealership.

The remaining £750 was made up of a New Vehicle Payment ("NVP") which was paid directly to the supplying dealership.

Mrs F believed this was misleading and thought the £750 NVP should have been offset against the advance payment figure the approved dealership advertised (£3,199). Mrs F believed MOL should refund her £750 due to the misleading information, as she didn't think it was fair for the NVP to be offset against the £3,999 advance payment figure.

MOL responded to Mrs F and explained they would investigate the matter internally and get back to her.

MOL said the discrepancy was that, while they set the advance payment figure on a quarterly basis and this didn't change, individual dealers may run their own offers and contribute the difference in the advance payment to them directly. MOL confirmed they explained this to Mrs F and they issued their final response on the matter.

Our investigator didn't uphold the complaint. In summary, she explained that MOL didn't have control of what offers others choose to advertise and she didn't think MOL did anything wrong.

As Mrs F was unhappy with the investigator's findings, the complaint was 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.

Having done so, I'm not upholding this complaint and I'll explain why below.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mrs F brings her complaint to our service because she acquired the car under a hire agreement from MOL. As Mrs F complains about a car supplied under a hire agreement, I'm satisfied I can consider this complaint about MOL as entering into regulated consumer credit contracts such as this as a lender is a regulated activity.

I think it's helpful to explain at the outset that the Motability Scheme operates so that a person in receipt of a benefit to assist with getting around (or an individual appointed to deal with this on their behalf) is able to choose a vehicle from an accredited dealer. And finance payments are made direct to MOL by diverting the eligible person's relevant mobility benefit.

I think it is also helpful to set out that the Motability Scheme introduced the NVP for a short period of time to help with the increasing price of new cars, due to global shortages. The NVP could have been sent directly to the supplying dealership, for instance to help towards the advance payment.

My role in this complaint is to consider the actions of MOL and to consider whether they have acted unfairly. So, what I can consider is fairly limited in this respect, as what Mrs F has complained about is mainly about the actions of the supplying dealership.

Considering the actions MOL has taken, I can't see that they need to reimburse Mrs F £750 as she thinks they should. Firstly, MOL wasn't involved in the sales process when Mrs F acquired the car from the supplying dealership. Secondly, the agreement which was signed by Mrs F shows that the advance payment was £3,999, not £3,199. So, even if there was some discrepancy here from what advertisements said, this information was presented to Mrs F before she signed the agreement. At that point, she wouldn't have been obligated to sign it and acquire the car, if she was unhappy with the amount of the advance payment. And finally, I have noted the acceptance pack that was sent to Mrs F prior to the car being acquired says:

"You have chosen to send your New Vehicle Payment to your dealer to help fund the Advance Payment on your new car..."

The letter was also accompanied with a summary, which said the advance payment was £3,999, and it included the pre contract information for the hire agreement.

Mrs F says that MOL eventually amended their advert to show the advance payment had reduced to £3,199 for the same car she acquired. But I'm mindful this was after Mrs F took out the agreement with MOL. Lenders are free to amend their offers at any time, and as this was after Mrs F acquired the car, I don't think they have done anything wrong in this instance.

Considering the above, I'm not satisfied Mrs F has been misled by the actions MOL have made in this instance. It follows I don't think they need to do anything here to put things right.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 19 March 2025.

Ronesh Amin
Ombudsman