

The complaint

Miss S complains that the car provided to her under a hire agreement with Motability Operations Limited (MO) wasn't of satisfactory quality and she hasn't been provided with the service she should have when dealing with the issues this has caused.

What happened

Miss S entered into a three-year hire agreement with MO in December 2023 for the hire of a car under the Motability Scheme (the 'Scheme'). Miss S says that she experienced issues with the car shortly after it was supplied and there were delays in the process of repairing the car, issues with courtesy cars and further poor service provided.

MO said that Miss S entered a hire agreement for a car in December 2023. In March 2023, the car was taken to a dealership due to electrical faults. On 6 March 2023, Miss S informed MO that she wasn't happy with the service being provided by the dealership and MO said the car could be taken to a different dealership. Unfortunately, there was a possible long delay before the required parts could be supplied and so MO agreed that it was fair for the hire agreement to be terminated so that Miss S could acquire a different car under the Scheme. It said the £250 termination fee was revoked and while Miss S had use of the car for at least two months it refunded the whole advance payment amount (£199). It also paid her £500 as an acknowledgement of the impact the situation had on her, and Miss S received a £250 discretionary payment when the car was returned. MO said that Miss S was provided with a hire vehicle and while her agreement ended on 7 May 2024, the hire vehicle was with Miss S until October 2024 when her new Scheme vehicle was due to arrive.

Our investigator noted that it wasn't disputed that there were issues with the car Miss S was supplied with. Given this he considered whether the actions taken by MO in response to this were reasonable. He noted that MO had allowed the car to be returned, the termination fee was waived and a full refund (rather than pro rata) of the advance rental had been made. He thought this was above what we would usually expect and put Miss S back – so far as possible – in the position she would have been had Miss S not entered the agreement. He noted that MO provided Miss S with a courtesy vehicle and while accepting there were some issues with this, he thought this was reasonable and so didn't require any refund of rentals paid.

Our investigator understood the issues with the car and that dealing with the impact of these had caused Miss S considerable trouble and upset. He acknowledged this issue was ongoing for an extended period. Given this he thought it fair that Miss S be paid compensation. And he thought the amount already paid by MO (£500) was reasonable.

Taking everything into account our investigator thought the actions MO had taken in response to the issues Miss S had experienced were reasonable and so he didn't require it to do anything further.

Miss S didn't accept our investigator's view. She said she had problems from 29 December 2023 and was caused stress every day. She said multiple car hires weren't suitable and that she was nearly involved in serious accidents. She said MO had let her down and she hadn't

been treated as she should have been.

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.

Miss S entered into a hire agreement for a car. Under the regulations MO can be held liable in certain circumstances if the car supplied wasn't of satisfactory quality. Miss S has said she experienced issues shortly after the car was supplied. The car was taken to a dealership and faults were identified. As it has been accepted that there were issues with the car shortly after it was provided, I find it reasonable to accept that the car wasn't of satisfactory quality at supply. MO has taken action in response to this and so I have considered whether the response by MO to the issues Miss S has experienced has been reasonable.

I appreciate that Miss S has experienced several issues both with the cars supplied and also the service she has received. While I may not have commented on every point raised, I can assure Miss S that I have taken into consideration all the evidence provided and also her unique circumstances when assessing the impact the issues have caused.

I can see from MO's contact notes that Miss S logged a complaint in March 2024 that her car was at a dealership, and she was experiencing issues with the dealership not communicating and not providing the service it should have. This is very disappointing to hear but as this complaint is about MO I cannot hold it liable for the service of the dealership but instead have considered how it responded to this information. The notes show that MO discussed options for Miss S to move the car to a different dealership and it contacted the new dealership about this. I find this a reasonable response at this stage.

Miss S contacted MO on 11 March to say the car was still awaiting repair and while the car was driveable it wasn't safe. MO arranged for Miss S to be provided with a hire car. Following further correspondence, Miss S asked for her agreement to be cancelled. MO agreed to the agreement being cancelled and the termination fee was waived. The car was collected and while there was an issue with Miss S being told that the hire car would be collected in April 2024, this was resolved, and MO confirmed she could have the hire car until June 2024.

When a car isn't of satisfactory quality a reasonable remedy can be for the car to be rejected. This involves the car being collected at no cost to the customer, the agreement being cancelled with no ongoing liability and the customer receiving a pro rata refund of the advance rental. In this case, MO ended the agreement and waived the termination fee, collected the car and refunded the whole advance rental fee. I find this was a reasonable response to the situation with Miss S's car.

Additional to the termination of the agreement, I have also considered that Miss S's mobility allowance was being used to pay for the rentals under the agreement but that she didn't have use of the car. However, I also note that MO provided Miss S with a hire car when she raised the issues with it. While I understand this wasn't the car she was paying for, it appears that she was kept mobile and so I do not find that a refund of rentals is required.

Miss S experienced further service issues while trying to source a new vehicle, but these appear to be due to the choice of vehicle and issues securing a grant. This was resolved but I can appreciate that this would have caused Miss S upset and stress in the process.

In May 2024, it was identified that the new car that Miss S applied for wasn't to be delivered until October 2024. The hire car was due to be collected in June 2024. MO agreed to

continue to provide the hire car until October 2024 and I understand that this was provided up to when Miss S's new car was delivered. While I appreciate that the hire car wasn't like for like with what Miss S had ordered I find that MO did take reasonable steps to support Miss S and keep her mobile.

Unfortunately, while Miss S was provided with a hire car this needed to be changed due to her experiencing issues. This caused her inconvenience and distress as she had to wait for replacement cars and has said she wasn't always provided with suitable vehicles. But as the hire cars were provided in the period after Miss S's hire agreement had been terminated to assist her until she was able to receive her new car, and MO provided support through this period, I think that it took reasonable steps to assist Miss S at that time. That said, I have taken the upset and inconvenience caused by the issues raised through this complaint into consideration.

Taking everything into account I think the actions taken by MO in response to the issues Miss S raised were reasonable. However, I can see that Miss S's experience resulted in her being caused distress and inconvenience over an extended period of time. MO paid Miss S £500 because of this and considering this in light of the other actions taken I find that this is a fair resolution to this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 2 January 2025.

Jane Archer
Ombudsman