

The complaint

Ms D complains that Motability Operations Limited (Motability) terminated a finance agreement she had with them after the car it was financing was seized by the police.

A friend has represented Ms D throughout this complaint but as Ms D is named on the finance agreement, I will only refer to her. I mean no disrespect to her friend when doing so.

What happened

Ms D took receipt of a car in January 2024 and financed the deal through a hire agreement with Motability.

The car was subsequently seized by the police for uninsured driving and Motability terminated the agreement.

When Ms D complained to Motability, they explained that the terms of the agreement allowed them to do so. They didn't think they'd done anything wrong and when Ms D referred her complaint to this service, neither did our investigator.

Ms D has, therefore, asked for a decision to be made by an ombudsman.

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.

I know it will disappoint Ms D, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Ms D acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of Ms D's agreement with Motability explained that it could be terminated if:

"11.1.5 the Vehicle or any goods of yours are seized or threatened to be seized or made subject to a court order, whether or not it subsequently proves to have been unlawful."

Ms D says it was unreasonable of Motability to apply those terms because the seizure wasn't legal. She has provided an explanation of how she believes the law should be applied, but I've not seen evidence that the police have accepted the seizure was illegal or

that a court has decided that. While the police may not be proceeding with a prosecution that doesn't mean the seizure was illegal. In those circumstances I don't think Motability were unreasonable to decide to terminate the agreement.

Ms D has also suggested Motability prevented her from recovering the vehicle because they didn't provide insurance details. It seems likely to me that it would be for Ms D to ensure that anyone using the car was insured to do so and that she would, therefore, need to produce the correct documentation herself. But, even if I'm wrong about that I don't think that issue would have meant Motability were unreasonable to terminate the agreement. There's no dispute that the car was seized and in those circumstances clause 11.1.5 could be relied on.

If Ms D has still been unable to recover her possessions from the car, she will need to contact Motability to arrange that.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 27 January 2025.

Phillip McMahon
Ombudsman