

The complaint

Mr M says Motability Operations Limited (Motability) were unreasonable to terminate his hire agreement.

What happened

In November 2023 Mr M hired a car through an agreement with Motability.

In December 2023, the car was seized by police because they believed it was being driven by an uninsured driver. Motability, therefore, terminated Mr M's hire agreement as they said, in those circumstances, the terms of the agreement allowed them to.

Mr M complained to Motability. He said the police had admitted they'd made a mistake and had found no fault. He said Motability should reinstate the agreement, give the car back to him, refund the money he'd paid for extras, and not charge him £663 for vehicle recovery and release.

Motability reduced the recovery and release costs to £559 as they noted there had been some delays in them collecting the vehicle. But they didn't agree to reinstate the contract so, Mr M referred his complaint to this service. Our investigator thought Motability were fair to rely on clause 11.1.5 of the terms and conditions of Mr M's finance agreement. He found no evidence that the police had made a mistake and he didn't think Motability had been unreasonable to terminate the agreement.,

Mr M disagreed and asked for a final decision 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 Mr M, 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.

Mr M acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of Mr M'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."

Mr M says it was unreasonable of Motability to apply those terms because the seizure wasn't legal. He's not provided evidence that the police have agreed that they made a mistake and 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 and I note the terms allowed them to do so irrespective of whether the seizure proved to be unlawful.

I don't think Motability have been unreasonable to ask Mr M to refund the recovery and release fee either. They have been prepared to reduce that fee a little as their collection was delayed and fees increased as a result. That seems fair to me, but I don't think they need to do anything else.

Mr M says there were extras on the car that he'd paid £4,442.81 for. Those extras aren't listed on the finance agreement, and I don't think it would, therefore, be fair to ask Motability to refund them.

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 Mr M to accept or reject my decision before 22 February 2025.

Phillip McMahon
Ombudsman