

The complaint

Miss S complains about Motability Operations Limited's response to her cancellation of the hire agreement under which a car had been supplied to her.

What happened

A new car was supplied to Miss S under a hire agreement with Motability Operations that she electronically signed in April 2024. Miss S asked to cancel the agreement in June 2024 and Motability Operations ended the agreement in August 2024 and waived the cancellation fee of £250 as a gesture of goodwill but said that a 12 month suspension from the Motability scheme would be enforced due to Miss S's recurring cancellations.

Miss S complained to Motability Operations about the suspension but it didn't uphold her complaint. It said that it was the fifth time that Miss S had requested early cancellation of an agreement so it had suspended her ability to apply for a further lease on the Motability scheme for a period of one year which would end in August 2025. Miss S wasn't satisfied with its response so complained to this service.

Her complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld as she didn't think that Motability Operations had treated Miss S unfairly. She said that, based on the information that Miss S provided regarding her named drivers and their use of the car, Motability Operations made a decision to disallow them from being named drivers in the future and that it had made Miss S aware on several occasions of the potential suspension should any future agreements be terminated early.

Miss S didn't accept the investigator's recommendation and has asked for her complaint to be considered by an ombudsman. She says that she didn't say that her mum wasn't using the car for her benefit as she was using it to drive for her benefit. She says that she had no choice but to cancel the agreement as Motability Operations added her cousin to the insurance and then took him and her mum off the insurance. She says that she can't drive because of mental health issues and she has no one else to drive her around so she had to cancel the agreement. She says that she needs a car because it's unsafe for her to get around because of her mental health and that Motability Operations didn't tell her that her mum and cousin were unable to drive the car or be named drivers on her insurance policy.

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.

Motability Operations had supplied five cars to Miss S under finance agreements between September 2019 and March 2024, all of which had been cancelled early. It wrote to Miss S in January 2024, after it had been contacted by her to cancel the fifth of those agreements, and said that, should it receive a request from Miss S to terminate her next lease, without good reason or because she felt it wasn't suitable, it may suspend her ability to enter into a further lease on the Motability scheme for a period of one year.

Miss S entered into the hire agreement in April 2024 but asked to cancel it in June 2024. I can see that there have been issues with some of the named drivers for the cars that have been supplied to Miss S. Motability Operations' account notes say that in October 2022 it explained to Miss S that due to the concerns that she'd raised about her drivers it wouldn't be able to agree her mother or cousin as drivers.

The notes also say that Miss S contacted Motability Operations in June 2024 because she wanted to cancel the hire agreement as her allowance was stopping and, when she was told that it wasn't stopping, she advised that she wanted to cancel the agreement due to having no driver. The notes say that she then said that she'd lost confidence in the car as it had been involved in two accidents and she didn't feel safe driving it anymore. The notes also show that Motability Operations became aware in August 2024 that an excluded driver had been driving the car and it confirmed to Miss S that neither her mother nor cousin could be drivers under that agreement or future agreements under the scheme.

Motability Operations cancelled the hire agreement in August 2024 as requested by Miss S and it waived the cancellation fee of £250 as a gesture of goodwill but said that the 12 month suspension from the Motability scheme would be enforced due to Miss S's recurring cancellations. I'm not persuaded that there's enough evidence to show that Motability Operations has acted incorrectly in its dealings with Miss S about the hire agreement or in suspending her from the scheme until August 2025.

When Miss S complained to this service she said that she'd like Motability Operations to allow her to have the car again with her mother and cousin as named drivers or to at least allow her to have another car before August 2025. I consider that it's a decision for Motability Operations, and the scheme insurer, to make as to who is allowed to be a named driver. Miss S was told in October 2022 that Motability Operations wouldn't agree to her mother or cousin being a named driver and it confirmed in August 2024 that neither of them could be a driver of the car. The hire agreement has now been cancelled and I don't consider that it would be fair or reasonable for me to require Motability Operations to reinstate that agreement or to allow Miss S's mother or cousin to be named drivers of any car that it supplies to Miss S.

There have now been early cancellations by Miss S of six agreements under which cars have been supplied to her by Motability Operations since September 2019. She was told in January 2024 that if she cancelled her next agreement early it might suspend her ability to enter into a further lease for a period of one year. When the hire agreement was cancelled in August 2024 it said that it was enforcing the suspension which would be in place until August 2025. I don't consider that it would be fair or reasonable for me to require Motability Operations to remove that suspension.

Miss S clearly feels strongly that Motability Operations hasn't acted fairly and I appreciate that my decision will be disappointing for her given the issues that she experiences and the difficulties that she's described. I consider that Motability Operations has dealt with Miss S fairly and reasonably and I find that it wouldn't be fair or reasonable in these circumstances for me to require it to take any action in response to her complaint.

My final decision

My decision is that I don't uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 27 March 2025.

Jarrold Hastings
Ombudsman