

The complaint

Mr C has complained about the way Motability Operations Limited (“MO”) administered a hire agreement.

What happened

The circumstances are well known to the parties, so I won’t go over everything again in detail. But, to summarise, Mr C entered into a 3-year hire agreement with MO in September 2024 to acquire a new car. The car was acquired to be driven by a third party. In December 2024 MO was told the car had been seized by the police because Mr C drove it uninsured without a full licence with an intention to crash it.

MO decided to terminate the agreement because it said Mr C had breached its terms. It also said it likely wouldn’t look to allow Mr C to apply to rejoin the scheme for four years. Mr C complained to MO and decided to refer his complaint to the Financial Ombudsman.

One of our investigators looked into things and didn’t think MO was unfair to terminate the agreement because Mr C had breached the terms. He also highlighted Mr C had a previous vehicle on the MO scheme in 2019. This vehicle was also seized for being driven without insurance, and Mr C was not able to rejoin the scheme for five years.

Mr C didn’t agree with the outcome. He said he was unable to use public transport. He didn’t think MO should have taken the car away. He thought it should have put restrictions in place instead, such as allowing him to use an appointee. He also said the 2019 seizure wasn’t his fault.

As things weren’t resolved, the complaint has been 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.

I want to acknowledge I’ve summarised the events of the complaint. I don’t intend any discourtesy by this – it just reflects the informal nature of our service. I’m required to decide matters quickly and with minimum formality. But I want to assure Mr C and MO that I’ve reviewed everything on file. And if I don’t comment on something, it’s not because I haven’t considered it. It’s because I’ve concentrated on what I think are the key issues. Our powers allow me to do this.

I also want to say I’m very sorry to hear Mr C has been unwell. I appreciate what he’s saying about needing to remain mobile, and the importance of having a vehicle. I can’t imagine how he must feel, but I thank him for taking the time to bring his complaint.

Mr C acquired the car under a regulated consumer hire agreement. Our service is able to consider complaints relating to these sorts of regulated consumer hire agreements.

It's not in dispute the car was seized, and having carefully reviewed the hire agreement I agree there were terms in it that were breached. I understand the car was driven without a valid full licence. And the agreement sets out MO is able to terminate the agreement if terms are broken or if the vehicle is seized. MO also sent a termination notice as is required.

Therefore, while I appreciate why Mr C says he needs a vehicle to remain mobile, given the terms and conditions he agreed to that I've described above, I don't think I can say MO didn't have the grounds to fairly terminate the agreement. The breached terms were significant, and I think it had valid concerns about the car being driven unlawfully.

MO also indicated it would be unlikely to accept Mr C back on to the scheme for four years. This is in line with its own internal guidance (which I've seen) for stopping applications for this sort of scenario. I don't think MO's explanations are unfair, or not in line with its own internal policy. However, I should point out I primarily need to consider MO's actions in relation to the complaint raised with it that led to its December 2024 final response. If Mr C is unhappy with how MO treats him in the future, it may be something our service can consider.

In summary, the terms are clear that MO can terminate the agreement for the car being seized, driven unlawfully or without the correct insurance. So I don't think it was unfair MO terminated in that scenario. MO is also following its own internal guidance when saying it was unlikely to accept another application from Mr C to rejoin the scheme for four years. Therefore, while I'm very sorry to hear about what happened I don't find I have the grounds to direct MO to take any further action. I can't point to something it's done wrong in this particular case that would make it fair for me to do so.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 May 2025.

Simon Wingfield

Ombudsman