

## **The complaint**

Mrs T complains that Motability Operations Limited (MO") changed their policy of allowing consumers the option to purchase vehicles at the end of the lease without telling her.

## **What happened**

In April 2022 Mrs T was supplied with a car and entered into a personal contract hire agreement with MO for a new car. She paid a deposit of £3149.00.

Mrs T has told this service that she was under the impression that she would be given the option to purchase the vehicle at the end of the lease as this was a commonly known policy of MO. She says that in was in reliance on this that she paid a significant deposit and also paid for optional extras to the car.

As the end of the lease began to approach, Mrs T contacted MO and asked them how much it would cost to purchase the vehicle.

MO advised Mrs T that this option was no longer available due to a policy change.

Mrs T complained to MO, but her complaint wasn't upheld. So, she brought her complaint to this service.

Our investigator upheld the complaint. He said that although there was no right for Mrs T to purchase the vehicle under the agreement, MO hadn't acted within the expectations of this service as it had effected a substantive policy change without informing Mrs T. The investigator said that MO should pay compensation of £100 for any distress caused.

MO didn't agree. It said that Mrs T hadn't communicated her intention to purchase the vehicle at the end of the lease at any point during the agreement. It also said that Mrs T hadn't indicated where her belief that she could purchase the vehicle stemmed from information provided by MO or from the dealership prior to entering into the agreement. MO said that because this was Mrs T's first agreement on the scheme, it could be assumed that she wasn't relying on previous experience. MO said that the agreement was the only evidence regarding any entitlement to purchase and because the agreement is a hire agreement, it does not confer the right to buy the vehicle.

Because MO didn't agree I've been asked to review the complaint.

## **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.

In considering whether MO has acted fairly and reasonably in its handling of Mrs T's complaint, I've focussed on two issues. Firstly, did Mrs T have the right to purchase the vehicle at the end of the lease. And secondly, has MO acted within the expectations of this service and treated Mrs T fairly.

Was there a right to purchase the vehicle?

I've reviewed the agreement. The agreement is a regulated hire agreement and doesn't include any right to the consumer to purchase the vehicle at the end of the hire period.

I'm therefore satisfied that Mrs T didn't have the right to purchase the vehicle at the end of the agreement. So, I won't be asking MO to offer Mrs T the opportunity to purchase the vehicle or require MO to refund the deposit paid by Mrs T.

Has MO treated Mrs T fairly and reasonably and acted within the expectations of this service?

Mrs T has told this service that when she entered into the agreement, she believed that she had the option to purchase the vehicle at the end of the hire period.

MO has questioned whether Mrs T's belief stemmed from something MO said or something the dealership said. It has said that there is no evidence that the terms of the agreement were misrepresented to Mrs T by advising that the vehicle could be purchased at the end of the term.

MO has told this service that at the time Mrs T entered into her agreement, its website stated *"it may be possible to buy your car at the end of the contract, but this can only be discussed in the final three months of your lease"*

I think its likely that the MO website is where Mrs T obtained the information from. But this isn't a complaint about misrepresentation. And I don't think it matters where Mrs T got the information from, because the information doesn't confer a legal right, only (at best) an expectation that a request to purchase at the end of the hire period will be considered.

MO has acknowledged that it previously had a policy whereby consumers could request a purchase price during the final 12 weeks of their agreement excluding the last 21 days. MO has explained that the policy became unsustainable as it was receiving around 5000 calls per month for purchase requests with only 5% of those request resulting in sale. MO says it changed the policy in or around November 2023.

The policy of allowing customers the option to purchase their vehicle at the end of the hire period doesn't change the contractual position. In other words, even when the policy was in place, there was still no right for a consumer to purchase the vehicle. Neither the policy nor the change in policy altered the contractual terms that Mrs T had agreed to when she entered into the hire agreement.

However, I don't think MO acted fairly here, because it failed to communicate the change in policy to Mrs T. This service expects business to keep consumers fully informed of any substantive changes, particularly where the changes can impact on decision making.

MO has said that it didn't hear anything from Mrs T regarding her intention to purchase the vehicle until October 2024. I don't find that surprising, because the policy (before it was changed) stated that consumers could request a purchase price during the last 12 weeks of the agreement. In my analysis, that is what Mrs T did. But she hadn't been made aware the policy had changed.

If MO had informed Mrs T of the policy change in November 2023, she could have made a decision about what to do at the end of the hire agreement sooner, which would have resulted in less distress being caused to her. As it was, Mrs T only found out about the change in policy as her hire agreement was coming to an end.

For this reason, I think its fair to ask MO to pay compensation for the distress caused to Mrs T.

### **Putting things right**

To put things right, Motability Operations Limited must pay compensation of £100 to Mrs T.

### **My final decision**

My final decision is that I uphold the complaint. Motability Operations Limited must pay compensation of £100 to Mrs T

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 12 June 2025.

Emma Davy  
**Ombudsman**