

The complaint

Mr P complains that Motability Operations Limited (“Mol”) have unfairly terminated his hire agreement.

What happened

Mr P entered into a hire agreement with Mol in June 2023 for the supply of a new car. The agreement was for three years.

In January 2025, the vehicle was undergoing some investigations for mechanical issues, and a replacement hire vehicle had been supplied to Mr P by Mol. During this period, Mr P has told us that he mistakenly drove into a loading bay and became stuck there. The emergency services were called, including an ambulance as Mr P suffered a health issue.

The police were also in attendance, and Mr P has told us that when he left the ambulance, he was arrested, and the car was seized.

Mr P informed Mol what was happening, and shortly afterwards they issued a termination notice for his agreement and informed him he would have to return the car. They deemed that the contract terms had been breached when the replacement car was seized by the police.

Mr P was unhappy with this, and complained to Mol. They issued their final response letter to his complaint on 12 February 2025, and didn’t uphold it, saying they would not change their decision.

Mr P brought his complaint to our service shortly afterwards, and an investigator here investigated it, and didn’t uphold the complaint. They explained that under the agreement, in the terms and conditions, it confirms that if the car is seized by the police, Mol have the right to terminate the agreement provided they give the customer 14 days’ notice, and that this applies even if it is subsequently shown that the vehicle has been seized in error.

The investigator explained that our role was to decide whether Mol had acted fairly under the agreement, and they were satisfied that they had. Mr P also complained about the fact Mol told him he couldn’t rejoin the scheme for three years, and the investigator said this was also fair, having checked their policies on this issue. The investigator highlighted that for both issues, Mol had said that if they were provided evidence that the police had seized the car in error, they were happy to review both decisions.

Unhappy with this answer, Mr P asked for an Ombudsman to make a final decision on 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.

Having done so, I’ve reached the same overall conclusions as the investigator, and for

broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr P was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it, including about its termination.

There is no dispute from either party that the terms and conditions say that if the car is seized, Mol can terminate the agreement. Mr P has said that the wording is that they "may" terminate it, which I agree with. But the fact remains, if the car is seized, they have the right to terminate the agreement if they choose to do so.

Firstly, whilst I empathise with Mr P in that the whole incident has caused him considerable stress, my role is to decide if Mol have treated him fairly and have the right to do what they have done. For Mr P's privacy, I'm not going to comment on the specifics of the issues with the Police, and similarly, we can't get involved with or comment on the Police's decision to seize the vehicle. There are forums through which he may choose to appeal that or complain about it, but our service is not one of them.

The terms of his agreement say that Mol must give Mr P two weeks' notice in order to terminate the agreement, and I can see that they issued a termination notice on 13 February 2025, before terminating the agreement on 28 February 2025, so they did this.

The agreement clearly states that if the vehicle is seized, Mol may terminate the agreement. The car, the asset in this agreement, belongs to Mol, so it's fair for them to be able to do this to protect that asset. Whilst we haven't had all the details shared about the police's actions, I haven't seen anything which concerns me about the fairness of that decision. I've seen no evidence that Mol have done anything unfair here in terminating the agreement.

And alongside this, Mol have told Mr P that if he can provide evidence to show that the seizure of his car was done in error, they would re-consider their decision. I've seen no evidence that's been supplied to say this.

Finally with regards to Mol telling Mr P that he's unable to apply again for a car through them for three years, I'm satisfied that this is also fair. Who a business chooses to supply a car to in the future is a business decision, for that business to decide upon. They are a commercial company like any other, entitled to supply customers or not supply them, with hire cars.

In considering whether that decision is fair, I'd again highlight that Mol have said that they are happy to review this stance if provided with evidence that the police seizure was done in error, but again, I haven't seen any such evidence. I can't say Mol have done anything unfair, and I won't be asking them to do anything further here.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 June 2025.

Paul Cronin
Ombudsman