

## **The complaint**

Mrs S complains that Motability Operations Limited has terminated the hire agreement under which a car was supplied to her. Mrs S's son is also involved in her complaint.

## **What happened**

A new car was supplied to Mrs S under a hire agreement with Motability Operations that she electronically signed in August 2020. The minimum hire term was three years and Mrs S agreed to make an advance rental payment of £1,499 and 39 rental instalments of the total allowance payable.

Motability Operations sent Mrs S a termination notice in February 2025 because the car had been seized by the police so she was in breach of the agreement. Mrs S's son complained to Motability Operations about the termination but it said that it would continue with the termination and that, due to the breach of the contract, a sanction of four years had been put in place, meaning that Mrs S wouldn't be able to rejoin the scheme until February 2029.

Mrs 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. She was satisfied that the car was seized and, because of that, Mrs S had breached the agreement, so Motability Operations was within its rights to look at terminating the agreement.

Mrs S didn't accept the investigator's recommendation and has asked for an ombudsman to make a decision on her complaint. She says that she's been suspended from Motability Operations' scheme for four years yet she can see that other people have had their suspension overturned, and she thinks that she's been punished unfairly as her son didn't get stopped by the police and was in her mother's house due to an emergency when he was spoken to by the police.

## **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' notes for Mrs S's account show that it was contacted by a garage that was servicing and MOT testing the car that was supplied to Mrs S under the hire agreement and that a courtesy car was given to Mrs S. The garage said that it had been contacted by the police to advise that the courtesy car had been seized due to Mrs S's son not having a licence or insurance. The notes also show that the police told Motability Operations that the car was seized under the Road Traffic Act as the driver was believed to have been driving it without insurance and to prevent it from being further driven without insurance. There doesn't seem to be any dispute that Mrs S's son had driven the car and did have a driving licence but wasn't insured to drive the car that was supplied to Mrs S under the hire agreement or the courtesy car.

The terms and conditions of the hire agreement say:

*"We may terminate this Agreement by providing you with notice if at any time: ... the Vehicle or Replacement 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".*

*"Replacement Vehicle"* is defined as: *"... any vehicle provided by or on behalf of us to you in temporary replacement of the Vehicle to provide continuous mobility under this Agreement"*. I consider that the courtesy car would be considered to be a *"Replacement Vehicle"* and I've seen no evidence to show that Mrs S's son was insured to drive the courtesy car.

Motability Operations sent a termination notice to Mrs S in February 2025 which said that it was terminating the hire agreement. It also said that if she wished to re-join the scheme, a request would need to be made in writing but it was highly unlikely to consider a request to re-join the scheme for at least four years from the date of termination of the hire agreement.

Mrs S says that she believes that her son used the car in an emergency as her elderly mother had fallen and needed help, but I don't consider that those circumstances would allow her son to legally drive the courtesy car without insurance. Mrs S has described the impact that losing the car has had on both her and her son, but I'm not persuaded that there's enough evidence to show that Motability Operations acted incorrectly in terminating the hire agreement in these circumstances.

In response to the investigator's recommendation, Mrs S has raised concerns about her suspension from Motability Operations' scheme. The investigator said that Mrs S's complaint to Motability Operations and this service was about the termination of the hire agreement and she couldn't see that she'd raised concerns about the suspension or that Motability Operations had investigated that. She said that Mrs S would need to contact Motability Operations to raise a new complaint about that issue. I agree with the investigator so I'm unable to make any finding in this decision on Motability Operations' suspension of Mrs S from the scheme.

I appreciate that my decision will be disappointing for Mrs S, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Motability Operations to reinstate Mrs S's hire agreement, to pay her any compensation or to take any other action in response to her complaint.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 24 October 2025.

Jarrold Hastings  
**Ombudsman**