

The complaint

Mrs E complains about an advanced payment Motability Operations Limited (Motability) charged her.

What happened

In July 2024 Mrs E entered into a hire agreement for a new car. She was asked to pay an advanced payment of £1,899 but she subsequently noticed that Motability were no longer asking customers to pay that. She felt that was unfair and she complained to them.

Motability didn't uphold her complaint and when Mrs E referred it to this service neither did our investigator. He noted that the advanced payment was fixed at the point the contract was agreed and that it could not be subsequently amended. He didn't think Motability were unreasonable not to refund the fee.

As Mrs E disagreed, her complaint has been passed to me, an ombudsman, to make a decision.

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 know it will disappoint Mrs E, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs E acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The finance agreement listed the advance payment of £1,899 and Motability's website explains that it is fixed at the time the order is placed, and it's needed because the allowance might not cover the full cost for some larger or more expensive vehicles. They explain that they calculate it by looking at the cost of the vehicle, its servicing and maintenance, and its expected value at the end of the lease. They go on to explain that it's negotiated with manufacturers every three months to get the best price.

I can't see that Motability were obliged to refund an advanced payment if they subsequently negotiated a reduced price with manufacturers and managed to remove the charge for those subsequently applying to lease the same vehicle. The fee was fixed at the point of order and couldn't subsequently be increased or decreased.

So, I don't think Motability were unreasonable to reject Mrs E's complaint and I'm not asking them to take any action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 19 October 2025.

Phillip McMahon
Ombudsman