

The complaint

Mr G is unhappy that a car supplied to him under a hire agreement with Motability Operations Limited (Motability) was mis sold.

When I refer to what Mr G has said and what Motability have said, it should also be taken to include things said on their behalf.

What happened

On 13 December 2023 Mr G was supplied a new car via a hire agreement with Motability Limited. Mr G states that as part of this agreement he paid a deposit of £2899 and optional amendments to the supplying dealer of around £4,000. Mr G states that he did this because he believed that at the end of the contract, he would be able to purchase the car, so was happy to pay for the additional adaptations as this meant that the car would better suit his needs and be his long-term car after the end of the agreement.

It subsequently transpired that on 20 November 2023 Motability changed their policy to no longer offer the option for their customers to purchase cars hired through the scheme. Mr G was not happy, so he complained to Motability.

Motability issued their response to Mr G's complaint on 2 April 2025. They did not uphold his complaint. They pointed out that the option to purchase was removed from the scheme prior to his agreement, so that there was no contractual right for him to purchase the car.

As Mr G wasn't happy he complained to us.

On 24 June 2025 our investigator issued their view of Mr G's complaint. They did not uphold Mr G's complaint. They pointed to the agreement dated 13 December 2023 that Mr G had signed, which had no right to purchase contained within it.

Mr G responded to our investigator that whilst the car was delivered in December he would have ordered the car in September, ahead of the change in policy.

Our investigator, whilst acknowledging the car may have well been ordered earlier the terms and conditions of the agreement were clear. They did seek clarification of the conversations that Mr G had at the time of ordering.

Mr G supplied two screen shots that showed the car was ordered on 7 September 2023. This was put to Motability who stated that there was never any contractual right to purchase the car at the end of the hire term but they had previously offered this as a goodwill gesture.

There was not enough evidence for the investigator to change their view.

Mr G did not agree with feeling that precedent had created an implied term that he should be able to purchase the car at the end of the agreement.

As Mr G did not agree with the investigators decision the matter has been referred to me to consider.

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 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 G was supplied with a vehicle under a hire agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

If I thought the car had been mis sold then it would be fair and reasonable to ask Motability to put this right.

The crux of Mr G's complaint is that when he was looking to renew his car in 2023 he was looking for a car that would serve his need beyond the length of the hire agreement. He entered into an agreement with Motability believing that he would be able to purchase the car at the end of the hire term. Because of this he was prepared to pay for additional modifications to the car. He was disappointed when he discovered that Motability no longer offered their customers the facility to purchase the car at the end of the agreement.

Whilst I can fully understand Mr G's frustration at not being able to purchase the car at the end of the agreement I can only direct Motability to put things right if I find that they have breached the contract or acted unfairly.

The starting point for my consideration is the agreement itself and whether there is any right to purchase provided by it. The terms of the agreement dated 13 December 2023 which Mr G did sign is quite clear on this and there is no contractual right to purchase the car. Section 10.2 of the terms supplied with the agreement states that the customer must return the car promptly at the end of the agreement. So there is no express term giving Mr G the right to purchase the car.

I then need to consider whether there is any implied term that Mr G could purchase the car. Mr G states that the ability to buy the car was a key consideration in his decision to hire a car through Motability and pay for additional modifications to the supplying dealer. In his complaint to us Mr G states that he was informed in September 2023 by Motability that he would be able to purchase the car. Our investigator asked for more details of the conversations that Mr G had at the time of ordering; this was in an email of 25 July 2025. Mr G supplied two screen shots showing that the order was placed on or around 7 September 2023.

Motability themselves confirm that they did previously offer the option to purchase but this was as a goodwill gesture not a contractual obligation. The cars were supplied under a hire agreement, not an agreement to purchase, so this offer was not binding. They made a decision to remove this option on 20 November 2023 due to the low take up compared to the number of purchase price quotes they provided. Mr G was aware that the option to purchase did exist but not that it had been removed.

The agreement itself is a hire agreement and as stated above I have seen the terms and conditions. The terms and conditions are referenced "Car T&Cs 8/23".

Unless implied by statute it is always a judgment call as to whether any implied term does exist within a contract. In the normal course of events I can only make decisions based upon the terms of the contract entered into. I can however take into account antecedent negotiations and information provided during the course of any supply to decide whether it is reasonable to imbue an implied term into a contract.

The right to purchase was clearly an important consideration for Mr G but it is up to him, based on the balance of probabilities, to show that such an implied term applied in relation to this agreement. He states that he was informed by Motability that there was a right to purchase, however the evidence provided does not show any specific statement from Motability that this right applied. The terms of the agreement are clear that there is no right and the fact that the terms are referenced "Car T&Cs 8/23" indicate that these were the terms in place both at the time of order and delivery.

Given the evidence presented to me I cannot conclude that there is an implied term that Mr G has the right to purchase the car at the end of the agreement.

Therefore I do not uphold this complaint.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 October 2025.

Leon Livermore
Ombudsman