

## **The complaint**

Mr B complains about the ending of a hire agreement he had with Motability Operations Limited.

## **What happened**

In June 2024, Mr B took out a hire agreement with Motability to get a brand new car. Under the agreement, Mr B made an advance payment of about £1,100 and was scheduled to make monthly payments from his government benefit allowance, for just over three years.

Around two months later, Mr B's car was involved in an accident. While the repairs were being carried out, Motability arranged for Mr B to use a hire car. After using the car for about a week, the police stopped Mr B while he was driving it, as they suspected that it was involved in a crime. Consequently, the police chose to seize the hire car as evidence.

To try and sort things out, Mr B contacted Motability and explained that the police seized the car in error and he hadn't faced any charges relating to the crime. Motability spoke to the police, who said that although the car was seized lawfully, no charges were brought against Mr B. The police then arranged for the hire car to be released.

In light of what happened, Motability decided to terminate Mr B's hire agreement and place a sanction on any further applications from him, for four years. They said Mr B had breached the terms and conditions of the hire agreement by allowing the car to be seized by the police. Mr B didn't agree and raised a complaint with Motability. He said the police were mistaken, because it was a previous user of the hire car that was suspected of the crime.

Motability didn't change their stance on the termination of Mr B's hire agreement. They said the seizure of the car by the police was lawful, rather than a mistake. But, they reduced Mr B's sanction period to two years for further applications. Mr B didn't accept Motability's response and brought his complaint to this service.

One of our investigators looked into Mr B's complaint and found that Motability had treated Mr B fairly. He wasn't persuaded the police had seized the car in error and that Motability had legitimate concerns about Mr B's use of the car. So, he said it was fair for Motability to rely on the terms of Mr B's hire agreement, when they chose to terminate it.

Mr B didn't agree with the investigator's findings and said the police had mistaken his identity with a third party suspected of a crime. Mr B also said Motability could only rely on the terms of the agreement in relation to the car he was initially given, rather than the temporary rental vehicle.

The investigator didn't change his conclusions and Mr B's complaint has now been passed to me to make a decision.

I sent Mr B and Motability my provisional decision on this case, on 8 September 2025. I explained why I didn't think the complaint should be upheld. A copy of my provisional finding is included below:

*Mr B entered into a hire agreement with Motability, which allowed him to get the car. This agreement is regulated by the Consumer Credit Act 1974 and we are able to consider complaints about it.*

#### *The seizure of the temporary replacement vehicle*

*Motability have explained to us that following the accident involving Mr B's car, they arranged for a temporary replacement vehicle to be sent to him on 15 August 2024. During our investigation, we have asked Mr B about the date the replacement car was provided to him. But, we haven't received a response.*

*Having looked at the records provided by Motability and what they have told us, I'm persuaded the replacement car was provided on the date Motability have given.*

*We've also spoken to the police officer who was involved with the seizure of the replacement vehicle. They have explained that the crime they were investigating happened on 23 August 2024, some eight days after Mr B started to use the rental car. They say it was the rental car Mr B was driving, which was involved in the crime. So, on balance, I think the crime the police started to investigate happened after Mr B had taken control of the temporary replacement vehicle.*

*When Mr B first spoke to Motability about the seizure by the police of the rental car, he said the police had made a mistake on two grounds. Firstly, that the police were seeking a previous user of the rental car, rather than him. And secondly that the police didn't raise any charges against him because he was innocent of any crime.*

*I've concluded that the rental car was in Mr B's control, when the crime investigated by the police happened. So, I don't think the police made the mistake of confusing a previous user of the replacement vehicle with Mr B.*

*Furthermore, I can see from Motability's records, where Mr B later told them he knew of the crime and of the person that had made accusations involving him. Overall, I think there is an inconsistency with what Mr B told Motability about the potential reasons why the police seized the car. There may be reasons why Mr B told Motability different things. But, I think this has an impact on the credibility of what he has told us about the events leading up to the seizure of the temporary replacement vehicle.*

*Aside from who had control of the replacement vehicle when it was seized, I've also thought about Mr B's concerns that the police didn't raise a charge against him.*

*Motability's records of their contact with the police officer show that they were told the seizure of the replacement vehicle was lawful. Those records also explain why the police stopped their investigation and made the car available for Mr B to collect. Having thought about all the evidence, I accept that Mr B wasn't charged with any crime. But, I must also keep in mind where the police have explained that the seizure of the replacement vehicle was on purpose, rather than an instance of mistaken identity.*

*Against this background, I'm persuaded the police felt they had cause to seize the rental car from Mr B. So, I've gone on to think about where this left Mr B's hire agreement with Motability and if they treated him unfairly.*

#### *The terms and conditions of Mr B's hire agreement*

*During our investigation, Motability provided us with the terms and conditions relevant to their hire agreement with Mr B. Section 11 of the terms and conditions is headed 'When we*

can end this agreement' and I can see that it says:

*"11.1 We may terminate this Agreement by providing you with written notice if at any time."*

*"11.1.5 the 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;"*

*After thinking carefully about the terms of Mr B's hire agreement with Motability, I think they allow Motability to terminate the contract, if the car provided by them is seized. I've already found that the police didn't seize the replacement car in error and it was part of a criminal investigation. It then follows that I think Motability could rely on that information to fairly make a decision to terminate Mr B's hire agreement.*

*I've looked at the records of correspondence between Motability and Mr B. Having done so, I can see that Motability sent a termination notice to Mr B's home address on 26 September 2024. So, I think Motability provided Mr B with notice of their intentions, in line with the terms of the agreement.*

*I do of course empathise with the circumstances Mr B experienced, in that he no longer had a car to help with his mobility needs. But, after thinking about everything, I don't think Motability treated him unfairly, when they terminated his hire agreement.*

*Mr B has told us that the terms of his hire agreement related only to the car supplied by Motability and not the temporary replacement vehicle. In other words, he says Motability cannot terminate the hire agreement when it wasn't their car that was seized by the police.*

*To think about this further, I've looked at section one, of the terms and conditions of Mr B's hire agreement, where it says:*

*"1.19 "Replacement Vehicle" means any vehicle provided by or on behalf of us to you in temporary replacement of the Scheme Vehicle to provide continuous mobility under this agreement."*

*And*

*"1.27 "Vehicle" means the Scheme Vehicle or Replacement Vehicle."*

*Although I understand Mr B's point, I think the provisions of Mr B's a hire agreement allow Motability to extend them over a temporary replacement vehicle. So, I don't think Motability treated Mr B unfairly just because it was the rental car, rather than the car initially supplied to him that was seized.*

*Within their response to Mr B's complaint, Motability reduced the sanctions on any future applications from Mr B, to two years. Motability have provided us with their internal guidance which gives examples of when it may be appropriate to apply a sanction to one of their customers.*

*Having considered those examples, I can see where a two year sanction on applications may be given in similar circumstances to those experienced by Mr B. Overall, I think Motability have fairly applied their guidance with the sanction they placed on Mr B, following the termination of the hire agreement.*

*Summary*

*In all the circumstances, I think the evidence shows where Mr B had control of the temporary replacement car, after the crime investigated by the police happened. I also think the police have shown where they purposely seized the rental car, rather than being mistaken. So, I think Motability were able to rely on the terms and conditions of the hire agreement when they decided to terminate it.*

*In view of my findings, I don't think Motability have treated Mr B unfairly and I don't require them to take any steps to provide a further settlement to Mr B.*

Mr B didn't reply to the provisional decision. Motability responded to the provisional decision and accepted it.

### **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.

Because neither Mr B nor Motability have made any further comments, I see no reason to change from the conclusions I reached in my provisional decision.

### **My final decision**

My final decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 October 2025.

Sam Wedderburn  
**Ombudsman**