

## **The complaint**

Mr A complains that Motability Operations Limited (“MO”) is going to charge him a fee to end his contract.

## **What happened**

Earlier this year, Mr A entered into a contract to hire a car from MO. It is a regulated hire agreement under the Consumer Credit Act 1974. The contract term is a minimum period of three years.

Unfortunately, Mr A’s health condition has got worse since the contract began. The car no longer meets his needs and he won’t be able to carry on driving it. He contacted MO in July to discuss this. He asked if he could end the agreement early so that he could change the car for one which is more suitable. MO said that Mr A could cancel the agreement, but he would have to pay a fee of £250.

Mr A said he couldn’t pay this and asked if MO would waive the fee. MO said it had waived a cancellation fee for Mr A in the past. It said it couldn’t do this again. So, Mr A would need to pay the fee if he wanted to cancel the agreement.

Mr A wasn’t happy about this and brought the complaint to the Financial Ombudsman Service. He said that he is in financial difficulty and can’t pay the fee. He said that MO has the discretion to waive the fee and he doesn’t think it’s fair that it’s asking him to pay.

Mr A said that the car dealership could provide a new car very quickly. But he can’t go ahead with it because of the outstanding £250. So the situation is causing him a lot of distress and inconvenience.

Our Investigator didn’t think MO had done anything wrong. But Mr A didn’t agree and asked for the complaint to be reviewed by an Ombudsman.

## **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’m sorry to disappoint Mr A, but I’m not going to uphold the complaint. I’ll explain why.

### **The terms and conditions**

The terms and conditions of the hire agreement say that, if Mr A ends the agreement, he must pay an administration fee of £250. Mr A agreed to the terms and conditions when he entered into the contract. He is seeking to end the contract early. So, MO is entitled to charge the fee.

### **No discretion to waive the fee**

MO says that it does have discretion to waive the fee, but only in exceptional circumstances. It doesn't have to waive the fee.

MO also says that it can only use this discretion once and it has waived a fee for Mr A previously. It says it can't do it again. And it doesn't think it would be fair to other customers if it waived this fee.

### **MO's decision not to waive the fee**

I'm satisfied that MO has given Mr A's request proper consideration. Although MO empathises with Mr A's situation, it has decided not to waive the fee. I think that decision is reasonable.

### **My answer**

So, I don't think MO has done anything wrong.

I'm sorry to hear about the difficulties Mr A is facing, and I know this decision will be disappointing for him. But I don't think MO has acted unfairly or unreasonably, so I'm not going to ask it to do anything.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 January 2026.

Katy Kidd  
**Ombudsman**