

The complaint

Mr K complains about the ending of a hire agreement he has with Motability Operations Limited.

For ease, I'd like to tell Mr K here, that my final decision is that I don't uphold his complaint. My reasons reaching that finding are within the body of this document.

What happened

In May 2024, Mr K took out a hire agreement with Motability to get a brand new car. Under the agreement, Mr K was required to use his Personal Independence Payment to meet the monthly rental costs. However, by November 2024, Mr K found that the fuel type for the car supplied to him wasn't suitable. So, Motability agreed to end the hire agreement and put a new one on place, for a different car.

Mr K asked Motability to end a hire agreement for a second time in March 2025. He said the car supplied by Motability wasn't suitable for his mobility needs. To try and help Mr K further, Motability agreed to end the hire agreement and organised a third hire contract, for a third brand new car.

Around three months later, Mr K contacted Motability and told them he didn't have the correct support in place to advise him about the best type of car for his needs. He said he found it difficult to enter and exit the third car, so asked Motability to consider letting him change it for a fourth vehicle.

Motability considered Mr K's request, but didn't agree. Instead, they told Mr K he could end his hire agreement and choose to use a different scheme, to find a more suitable car. They also said Mr K could apply to return to their scheme after twelve months. Mr K didn't accept this and complained to Motability.

In their final response to Mr K's complaint, Motability reiterated their offer. They said they asked Mr K to make sure his current car was suitable, before he acquired it from the dealership. They also told Mr K that their hire agreements needed to last for the full three year term, to ensure their scheme remains sustainable. Mr K didn't agree with Motability's response and brought his complaint to us.

One of our investigators looked into Mr K's complaint and found that Motability had treated Mr K fairly. He said that Motability had tried to help Mr K, by allowing him to change vehicles in November 2024 and March 2025. He also explained that the terms and conditions of Mr K's agreements meant Motability's actions were fair.

So, the investigator found it was fair for Motability to allow Mr K to end his agreement and explore his options elsewhere.

Mr K didn't accept the investigator's findings and said he felt pressured at the dealership, to take out the contract for his current vehicle. Mr K also said he could provide medical evidence to show the car he has isn't suitable.

The investigator didn't change his conclusions, so Mr K's complaint has been passed to me to make a final 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.

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

The start of the hire agreement

Mr K has acknowledged that he has taken out three separate agreements since May 2024 and that Motability have allowed him to change his car twice. He says it's unfair for Motability to expect him to keep his current car when it is unsuitable for his mobility needs. So, Mr K would like our service to require Motability to end his hire agreement and start a new contract, for a fourth car.

My role is to decide if Motability have treated Mr K fairly, when he took out the hire agreement he signed in March 2025. I don't have the power to tell Motability to provide a hire agreement to a customer. Afterall, it's up to any particular business, who they provide services to. But, I can look into any errors Motability may have made in processing Mr K's application for a hire agreement. I can also look into the fairness of the option they have given to Mr K, where they say he is able to end his contract.

During his complaint, Mr K says he felt under pressure at the dealership, to take out the hire agreement for his current car. He says he didn't have the right support network around him at the time and that the dealer's actions increased his worries about a possible increase in the cost of the advance payment.

Motability say that shortly before Mr K took out the hire agreement, they advised him to thoroughly test drive the car. They say they told Mr K to make sure he could enter and exit the vehicle in line with his mobility needs. I say this having looked at Motability's contact records with Mr K, from around the time his second hire agreement was cancelled in March 2025. I haven't seen any notes within Motability's files which suggest they should have accompanied Mr K when he went to the dealership, to offer advice and recommendations.

I acknowledge what Mr K has said and I do not doubt how he says he felt at the dealership. But, I also need to keep in mind, where Mr K had been through the process of taking out a hire agreement for a brand new car twice, in the months beforehand. So, I'm aware that Mr K is likely to have had some familiarity with what to expect at the dealership.

Mr K's testimony provides a valuable commentary of his experiences at the dealership. But, I think the information on the hire agreement form, the advice he was given beforehand and his previous applications, adds more weight to Motability's argument. So, on balance, I'm not persuaded Mr K was pressurised into signing the hire agreement to acquire his current vehicle. It then follows that I don't think Motability should be required to cancel Mr K hire agreement, because of how he says he was treated at the dealership.

Motability's approach to further applications from Mr K

I've already found where I cannot require Motability to provide a hire agreement to any particular customer. With that in mind, I've also considered Motability's decision to refuse

any further applications from Mr K, for a twelve month period. To help me do this, I've focussed on how fairly Motability have treated Mr K and if they have been reasonable in the use of their policy on future applications.

Motability say the number of applications from Mr K and the frequency they were made were factors in deciding to not accept any further applications from Mr K for a year. I can see that on the first two occasions where an application was accepted, Mr K acquired a brand new car. And that within four to six months, Mr K had asked to change those vehicles. They say that allowing further changes, before the end of the three year term, impacts the sustainability of their scheme.

Having thought carefully about Motability's reasons, I understand why they have chosen not to accept further applications from Mr K. There must be a cost implication when a new vehicle is given back to a dealership, so soon after it was supplied. And I can see where Motability have asked Mr K to make sure each car was suitable for his needs, before he agreed to the contracts.

So, I think Motability have treated Mr K fairly, in making sure he was aware it was unlikely they would allow him to change his car for a fourth time in less than a year.

Motability have explained to us the circumstances where they may place a sanction on further applications from a customer. Having looked at that information, I can see where Motability take things like how the car is used and the behaviour of their customers towards the car and staff into consideration.

After looking through Motability's records, I cannot find any suggestion where they may have had concerns that Mr K had behaved poorly to their staff members. But, I think Motability did have concerns that changing vehicles frequently, before the end of a hire agreement, would impact the sustainability of the service they offer. So, I think Motability were concerned with how Mr K was treating the scheme.

This meant it was fair for Motability to consider their own policies on applying a sanction. Having looked at the timescales involved with the type of concerns Motability had, I don't think it was unreasonable for Motability to refuse further applications from Mr K, for a twelve month period.

The terms and conditions of Mr K's hire agreement

Despite my finding that Motability were able to choose to place a year's suspension on further applications from Mr K, I agree that he shouldn't be expected to use a car that he feels is unsafe. So, I've thought about the option Motability have given to Mr K, to end his hire agreement and return the car.

During our investigation, Motability provided us with the terms and conditions relevant to their hire agreement with Mr K. Section 12 of the terms and conditions is headed 'When you may end this agreement' and I can see that it says:

12.4 In the event of termination by you:

12.4.2 you must pay us an administration fee of £250.

After thinking carefully about the terms of Mr K's hire agreement with Motability, I think they allow Motability to ask Mr K to pay a fee of £250, if he chooses to cancel his agreement. It then follows that I think Motability can rely on that information should Mr K choose to now terminate the hire agreement in his name.

Overall, I think Motability's approach to Mr K's complaint is fair, in that they have agreed to let him end his hire agreement, albeit with administration cost of £250. I also think it is reasonable for Motability to consider their own policy on further applications, if Mr K chooses to end his current hire agreement.

I accept that given the pause on future applications, Mr K will need to look elsewhere for an alternative vehicle. And that he says he may not have the funds available to do so. But, in all the circumstances, I think Motability have given Mr K a fair option to exit his agreement, if he feels his car is unsafe for him to use.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 December 2025.

Sam Wedderburn
Ombudsman