

The complaint

Mr H says that Motability Operations Limited (Motability) were unreasonable to terminate a finance agreement he had with them.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr H took receipt of a car in May 2024. He financed the deal through a hire agreement with Motability.

In September 2025 Motability terminated his agreement and asked for the car back. They said Mr H had breached the terms of his agreement with them as he hadn't disclosed the fact he had 10 points on his license.

Mr H brought his complaint to this service, but our investigator didn't think Motability had done anything wrong. As Mr H disagreed, his complaint has been referred to me, an ombudsman, 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.

I know it will disappoint Mr H, 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.

Mr H acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

Section 5.4 of the terms of the agreement explained that “[...] *you must cooperate with our insurer and provide any information reasonably requested by them.*” And section 11 says “*we may terminate this agreement by providing you with written notice if at any time:*

11.1 you don't comply with any of your main obligations under this agreement, or if you or any driver have given to us, the accident manager or our insurer information which is materially misleading or false; ...

11.5, if we terminate this agreement because you are in breach of any of our main

obligations, then:

11.5.1 you will no longer have permission to keep possession of the vehicle without our permission;

11.5.2 we will be entitled to take back the vehicle; ...

11.5.4 you will still be required to pay any amounts which have become payable to us at the date of termination, but which have not been paid;"

Mr H hadn't told Motability or his insurer that he had 10 points on his license and in those circumstances, I can't say Motability have been unfair to terminate the contract, take the car back, and ask him to pay any amount outstanding.

Mr H is concerned that his advanced payment hasn't been returned to him. On 13 October 2025 Motability emailed him and explained:

" In reference to your advance payment, I can see you did pay £3,999.00. I can see there is debt outstanding on your agreement, what will need to happen initially is, this figure is standardly a pro-rata refund. However, because you have debt remaining on your agreement, we will offset any debt against the refund before the remaining is sent to you. Our Finance team will write to you to let you know the outcome of this."

As there has been a termination the agreement allows Motability to request payment for any outstanding amount. I don't think they have therefore been unreasonable to offset that amount against any pro-rata refund of the advanced payment.

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 Mr H to accept or reject my decision before 15 November 2025.

Phillip McMahon
Ombudsman