

The complaint

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

What happened

In January 2025, Mr M took out a hire agreement with Motability to get the use of a brand new car. Under the agreement, Mr M was scheduled to make rental payments every four weeks over a period of around three years.

About four months later, Mr M says he was stopped by the police while driving the car. They said Mr M didn't have a valid driving licence and wasn't correctly insured. So, the car was seized and taken to a police compound. Mr M raised his concerns with Motability and said the dealer hadn't told him there was a problem with his driving licence when he acquired the car. He also said there were several personal items in the car when it was seized.

In their final response to Mr M's complaint, Motability agreed with the reasons why the car was seized. And in the following days, Motability terminated the hire agreement they had with Mr M. They also told Mr M that it was his responsibility to check any driver of the car held a valid driving licence.

In addition to the ending of the agreement, Motability also placed a two year sanction on any further applications from Mr M. Unhappy with Motability's response, Mr M brought his complaint to this service.

One of our investigators looked into Mr M's case and found that Motability had treated Mr M fairly. He said the terms and conditions of the hire agreement make it clear it was Mr M's responsibility to make sure all drivers of the car carried a valid driving licence and had insurance. He also said the sanction period was fair, based on Motability's policy and that the removal of Mr M's possessions was likely down to the police.

Mr M didn't agree with the investigator's findings and said Motability should have spotted the potential problems with his driving licence. He also said that due to his vulnerabilities, he couldn't read and understand the terms and conditions of the hire agreement.

The investigator didn't change his conclusions and Mr M's complaint has now 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.

I want to acknowledge where I've summarised the events of the complaint. I don't intend any discourtesy by this and it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality.

But I want to assure Mr M and Motability that I've reviewed everything on file. And if I don't

comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr M entered into a hire agreement with Motability, which allowed him to get the brand new 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

During his complaint, Mr M has explained that he holds a full overseas driving licence and an expired provisional UK driving licence. He says he'd been a customer of Motability for several years and was able to use their car scheme without any problems. Mr M also says a member of the police had told him a full overseas driving licence was valid, to enable him to drive a car in the UK.

In light of Mr M's understanding, he says he entered the hire agreement with Motability in January 2025. Indeed, Mr M has suggested the dealer encouraged him to sign the paperwork and collect the car. But, Mr M also says he relied on the dealer reading the terms and conditions of the agreement to him. And he says it wasn't obvious at that point, that there would be a problem with the licence he held.

On the other hand, Motability say Mr M was accompanied by a third party when he spoke to the dealer about taking out the hire agreement. I can also hear from a call Mr M had with our service, where he told us a third party was the driver of the car supplied by Motability. He went onto explain that this is because he doesn't usually leave his house, except for when he really needs to.

I'm aware that Motability doesn't necessarily require the account holder to have a valid driving licence. They say it's the intended driver that needs the correct documents. So, in the individual circumstances of this case, I'm not persuaded it was down to the dealer to check that Mr M had a full valid driving licence. From what both Motability and Mr M have told us, it seems a third party was involved in the background of the sale and was intended to be the driver.

Having considered everything, I share our investigator's view that Mr M didn't hold a valid full UK driving licence, despite what Mr M says he was told and where he may have been a previous customer of Motability. I've thought very carefully about what Mr M has said, but I think the onus was on him to make sure he had the required licence and insurance in place to drive the car.

I've placed more weight on the testimony where both sides of the dispute have said it was a third party who Mr M authorised to be the driver of the car. So, on balance, I don't think the dealer is responsible for Mr M's subsequent use of the car, which resulted in the intervention of the police. Overall, while I empathise with the situation Mr M found himself in, I don't think Motability or the dealer treated him unfairly when he entered the hire agreement.

The seizure of the car

At the start of our investigation into Mr M's complaint, Motability provided us with their contact records for the hire agreement. I can see from those records where the police told Motability they had seized the car May 2025. The notes go on to say the car was seized due to Mr M not having a valid driving licence and consequently wasn't insured. Mr M has also confirmed this was the reason, and told us about how he thinks the police were alerted by a third party known to him.

Mr M says Motability's reaction to then terminate the hire agreement was unfair, given he was unaware he didn't have a valid driving licence. Although I've already found that it was Mr M's responsibility to check the driver of the car had the correct documents in place, I've considered the fairness of the action taken by Motability.

Section 3.3.4 of the terms and conditions of Mr M's hire agreement with Motability say:

"Drivers are required to hold a valid UK driving licence."

Additionally, Section 11.1 says:

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

11.1.6 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"

Against this background, I think the contract Mr M had with Motability explained that a driver of the car needed a valid UK driving licence. I'm aware that Mr M had a provisional UK driving licence, but both he and the police say that it had expired. So, I don't think Mr M's provisional licence could be classed as valid. I also think Mr M's contract explained what action Motability would take in the event the car was seized.

So, I think Motability could fairly rely on the terms and conditions of the hire agreement, when they chose to terminate Mr M's contract.

I acknowledge where Mr M says his health and personal circumstances make him vulnerable. But, from what I've seen, I'm not persuaded Mr M raised any objection with the terms of the hire agreement, or where he may have needed help from a personal representative in the negotiations with Motability. Moreover, I cannot see where Mr M has shown us where he requires that kind of assistance in his day to day life. With this in mind, I don't think Motability had a responsibility to take any different action, when the terms of the hire agreement were given to Mr M.

The items left in the car and the sanction

I've thought about Mr M's concerns that there were several personal items left in the car when it was seized by the police. Mr M says the seized items included a mobile telephone handset and a medical device to help with breathing. From looking at the timeline of events, I can see that the car was kept in the police compound for just under three weeks, until it was recovered by Motability. The records from the recovery agent suggest the car was empty upon collection.

Mr M's agreement says Motability will notify him of any items left in the car, should the car need to be recovered. I cannot see a note to suggest Motability wrote to Mr M about any items they may have found, or where Mr M may have provided evidence to show where he no longer had the items, or had to buy replacements.

Having thought about all the evidence we have, on balance, I'm not persuaded Motability have the items Mr M has complained about. I think it is more likely the police will have a record of anything found in the car, when it was seized as part of their own investigation. So, I don't think Motability have made an error here, or are responsible for the car while it was with the police.

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 consider how a car is used while it is with one of their customers.

In this case, Mr M didn't have a valid driving licence and the police say he wasn't insured to drive the car. This led to the car being seized. I've looked at Motability's internal policy for when a car is seized and that allows for a sanction on applications to be put into place. Although the initial sanction was four years, Motability have reduced that to two years. In light of how Motability have applied their policy here, I think they have treated Mr M fairly.

Summary

I've found that it was Mr M's responsibility to make sure it was legal for him to drive the car supplied by Motability. And where Motability took reasonable steps to recover the car and end the agreement.

I recognise that having the car taken away by the police and the hire agreement terminated had a worrying impact on Mr M. It must have been extremely difficult for him and his family in the days that followed. However, in view of my findings, I don't think Motability have treated Mr M unfairly. It then follows that I don't require them to take any steps to provide a settlement to Mr M.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 February 2026.

Sam Wedderburn
Ombudsman