

### **The complaint**

Mr S complains that Motability Operations Limited ('MOL') hasn't given him the option to purchase the car that is the subject of his hire agreement with it.

### **What happened**

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

In December 2022 Mr S entered into a hire agreement with MOL for a car. An advance rental payment of £3,999 was made.

In May 2025 Mr S complained as he was unhappy that the option to purchase the car was no longer available. Mr S says this change should only be applicable to those agreements which started after the changes to MOLs policies and not to his, as he entered into his agreement with the understanding that he could purchase the vehicle at the end of the lease. Halfway through the agreement he was told purchasing the vehicle was no longer an option.

MOL issued its final response letter in May 2025, in short it didn't uphold the complaint and explained, following a detailed review, the option of customer sales was removed from its scheme.

Our Investigator didn't think the complaint should be upheld. Both parties have had sight of these findings, so I won't detail them again here, but in short, our Investigator was of the opinion that there was no contractual obligation in the hire agreement which meant MOL was obliged to sell the car to Mr S.

Mr S disagreed with our Investigator and maintained that this has caused him a great deal of stress and uncertainty. As an agreement couldn't be reached the complaint has been passed to me to decide.

### **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.

Having considered all the evidence, I have reached the same conclusion as our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr S, but I'll explain why.

Before I explain why I've reached my decision I think its important for me to set out exactly what I've considered here. Mr S has referred to other people having the option to purchase the vehicle at the end of the term. While this is noted, a crucial part of our Service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision won't be impacted in any way by something someone else has or hasn't had the option to do.

I've reviewed the hire agreement, at the beginning of the agreement its clearly headed 'Hire

Agreement' and not, for example, 'Hire Purchase Agreement'. The agreement also makes it clear that at the end of the hire period the car had to be returned to MOL. There are no clauses within the agreement which oblige MOL to offer Mr S the right or option to buy the car. Also, I've considered that MOL offers predominantly hire agreements and not hire purchase agreements. I think, had Mr S wanted a purchase option, most likely he would not have been able to use the scheme at the time he ordered the car.

I understand that when Mr S was entering into the hire agreement, MOL and/or the supplying dealership might have told him that he may have an option to purchase the car at the end of the hire term, I don't dispute what Mr S has said about this. So, when considering if the hire agreement was misrepresented, amongst other things I did think about whether Section 56 of the Consumer Credit Act 1974 would apply here.

Section 56 deals with 'antecedent negotiations' and it explains that finance providers are liable for what it says and for what is said by a credit broker or a supplier (in certain circumstances) before the consumer takes out the credit agreement.

So, to uphold this complaint I need to be satisfied that a misrepresentation has taken place. This means I would need to be satisfied that a false statement of fact about the agreement was made, and that false statement induced Mr S into entering the agreement. And if this false statement wasn't made, he wouldn't have entered into the agreement.

Mr S says he thought he may be able to purchase the vehicle until a friend told him this was no longer an option. I wasn't present when Mr S entered the agreement, nor was I part of any conversations that may have taken place between Mr S and MOL and or the supplying dealership. While I appreciate Mr S has given our Service his best recollections of what was said, at the time he entered into the hire agreement, this happened many years ago and specific details can be difficult to recollect. So, I have also considered other evidence that is available such what MOL has told us and what the hire agreement stipulates.

MOL said it did previously offer the ability to be able to buy the hired car to its customers, but it was a goodwill option only. It said after a policy review it made the decision to withdraw this option which it said was always at its discretion. So, I have taken this into consideration.

Having reviewed the hire agreement I'm satisfied that it makes clear that it's a hire agreement and not, for example, a hire purchase agreement. The agreement also, makes clear that at the end of the hire period the car had to be returned to MOL. So, the hire agreement didn't give Mr S an option to buy the car. Also, I have considered that the MOL scheme only offers hire agreements and not hire purchase agreements, so if Mr S wanted a purchase option, he would not have been able to use the scheme and its benefits.

I appreciate that previously MOL may have given hirers the option to purchase the car at the end of the agreement term and subject to its discretion. But according to the terms of the hire agreement in question, it was not under any obligation to do so. As such it was free to remove this goodwill option whenever it wanted.

As a starting point I can't uphold Mr S' complaint on the basis he could purchase the car, this was never guaranteed as part of the contract and I think he would've been aware of this when he entered into the agreement.

Mr S says the option to purchase the vehicle at the end of the term was very important to him for a number of reasons. He says it was an ideal vehicle for his father's needs and had the option to purchase not available, it's unlikely he would've put down such a huge deposit. He said MOL promised that he could buy the car at the end of the hire period. He said this was a general rule for all customers and that he was informed of this verbally when he was

entering into the hire agreement.

As I've said, I can't be certain what was discussed at the point Mr S entered into the agreement. But I think it's likely that Mr S being informed that MOL had routinely extended hire contracts, and sold cars to consumers, in the past would have formed part of the conversations he had. And as this was information at the time he was arranging the contract this wouldn't have been misleading. I think, at the time Mr S was entering the hire agreement, if he had been told definitely that he has the option to purchase the car, most likely, he would have questioned why his agreement states something else. And if this was such an important option for him, I think most likely, he would not have entered into the hire agreement in question.

What is less certain is that Mr S may not have been informed that MOLs policy around allowing consumers to purchase cars had changed whilst the agreement was in place, and I accept that he may not have been provided with this information.

But I'm not persuaded that if Mr S was provided with further information that this would have changed his mind to enter into the agreement. Mr S has outlined why he acquired a car through the motability scheme. There are some significant advantages, and I have to bear in mind that he would've needed to purchase some kind of transport and so would likely have incurred similar costs as he has done to date. Considering everything, I think Mr S may have been told it would be possible to buy the car, but I have not seen enough to say that he was told most definitely he would have this right.

What I do need to consider is if MOL has made any errors. I'm satisfied MOL has acted within its terms and conditions by not offering Mr S the option to purchase the car and I've seen no persuasive evidence to suggest it was guaranteed he could purchase the car.

So, it follows, I don't think MOL has made any significant errors and so I won't be recommending it take any steps to put things right.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 December 2025.

Rajvinder Pnaiser  
**Ombudsman**