

## **The complaint**

Mr C has complained that Motability Operations Limited (Motability) terminated his Hire Agreement and issued a sanction preventing him from applying to the scheme for two years.

Mr C's complaint has been brought to us by his representative, but for ease I will mainly refer to Mr C throughout.

## **What happened**

In March 2024 Mr C entered into a Hire Agreement with Motability for the hire of a brand-new car.

In May 2025, Mr C got in touch with Motability to let it know the car had been seized by the police. Motability gathered further information from Mr C and the police, before making the decision to terminate his agreement and apply a two-year sanction to his account, which it said meant it was highly unlikely to consider a request from Mr C to rejoin the Motability scheme for two years, until May 2027. Unhappy with this, Mr C raised a complaint.

In response, Motability explained that it had decided to end Mr C's agreement in line with its terms and conditions, as the car subject to the agreement was seized by the police. It explained it had applied a two-year sanction, meaning Mr C was unable to appeal or apply for another agreement for two years. It offered to review any new information provided.

Our Investigator considered the complaint and whilst he empathised with the situation Mr C was in, he said that Motability had acted in line with the terms of his agreement when it terminated it following police seizure of the car and that it didn't treat him unfairly when it applied a two-year sanction.

Mr C disagreed, explaining that he felt the decision to impose a two-year sanction was unfair and disproportionate, given he didn't give permission for the car to be used and the situation was not his fault. He said Motability's decision would impact his independence, ability to attend medical appointments and his quality of life and that he was willing to agree to additional conditions under a future agreement to prevent the situation from reoccurring. He feels he is being punished as the victim of a theft.

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.

My summary above and comments below will focus on what I consider to be the key points to this complaint. Whilst I've considered everything in detail, if I don't comment on a particular point, it's because I don't feel that I need to in order to reach a fair answer on this complaint. It's not meant as a discourtesy, but instead it reflects the informal nature of this service.

Mr C acquired the car via a Hire Agreement, and this service can consider complaints relating to these sorts of regulated consumer hire agreements. Section 11 of the Hire Agreement states:

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

*...*

*11.1.5 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'*

Motability first became aware of an issue in early May 2025, when Mr C got in touch to let it know the car had been seized by the police. Having listened to the call, Mr C told Motability that his brother was driving the car when it was seized by the police. He said he thought his brother was insured on the car, noting his sister arranged this and confirmed he had given his brother permission to take the car.

Two days after the conversation with Mr C, Motability spoke with Mr C's representative. During the call she explained that Mr C's brother thought he was still insured to drive the car, however the insurance expired hours before the car was stopped by the police and that Mr C had not provided permission for the car to be driven. She said the car was being driven by Mr C's brother as his own car was off the road and confirmed it wasn't being driven by him to support Mr C. The advisor raised concerns about this and said the police needed to be notified of the theft and upon receipt of the crime reference number and a theft claim being logged, Motability would consider whether to return the car to Mr C or not, noting that seizure of the car was a serious breach of the contract. Motability also received an email from the police with further information about the seizure of the car.

It's not in dispute here that the car was seized by the police, the question I need to answer is whether Motability treated Mr C fairly when it terminated his agreement, following the police seizure.

As I've set out above the terms of Mr C's agreement clearly state that if the car is seized it may terminate the agreement. The car subject to the agreement was Motability's asset and terms such as the termination one noted above are included to enable Motability to protect its asset. Whilst I appreciate the impact the issue had on Mr C, I'm not persuaded that Motability treated Mr C unfairly when it terminated the agreement after the car was seized.

I've thought carefully about the impact Motability's decision to impose a two-year sanction will have on Mr C before reaching my decision. Motability made the decision after gathering information from Mr C, his representative and the police. Based on the information it gathered there were some inconsistencies in the version of events, for example both Mr C and his representative gave Motability conflicting answers about whether Mr C had given permission for the car to be driven by his brother. In addition, Motability had multiple concerns about the way in which the car was being used, including that it wasn't always used for Mr C's benefit, that it was driven uninsured, that others had easy access to the portal to amend the insurance and that the car had been seized by the police. Due to this, I can understand why Motability had concerns about accepting future agreements and made the decision to impose a sanction.

Motability's decision to impose the sanction was in line with its own internal guidance where the car was driven without insurance and had been seized and I'm satisfied that Motability haven't treated Mr C any different to other customers in the same situation. Having

considered everything, I'm not persuaded that Motability treated Mr C unfairly when it imposed the sanction.

Whilst I appreciate this will come as a disappointment to Mr C, I'm not persuaded that Motability treated him unfairly when it terminated his agreement and imposed a two-year sanction on his ability to apply to rejoin the scheme. It follows, that I won't be asking Motability to do anything more.

### **My final decision**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 February 2026.

Daniella Roberts  
**Ombudsman**