

The complaint

Miss E complains that the car she acquired through Motability Operations Limited (“Motability”) wasn’t of satisfactory quality. She says Motability has cancelled the agreement and refunded her, but she wants more compensation to reflect the issues she’s had with the car.

What happened

In June 2023 Miss E was supplied with a new car by Motability, financed through a hire agreement. Under the hire agreement, the *Advanced Rental Payment* was £549, and the rental instalments were to be paid as 39 amounts at 4-weekly intervals.

Miss E says the car that she was supplied with wasn’t of satisfactory quality – she says there’s been one issue after another with it.

The details of this complaint are extensive, but are known to both parties, so I’m only going to summarise the key points here.

- Miss E said she’s had ongoing issues with the car from the very beginning;
- Miss E says in September 2023 after a car accident, she was provided with a courtesy car whilst the car she had hired was undergoing repairs;
- Miss E says that when the car was repaired and returned to her, there was mould on the back seat;
- Miss E says there were other issues with the car including, but not limited to, an out of shape door seal; dropped car lining; and the car battery was replaced more than once;
- Miss E told us that she complained about this in January 2025 to the dealership and to Motability, and told them it was because of the earlier repairs;
- Motability said it was not a result of earlier repairs, but as a gesture of goodwill, it agreed to have the car to be valeted, and it resolved some other issues such as the door seal at no cost to Miss E;
- Miss E complained about the car’s exterior and the paintwork, and as a gesture of goodwill, Motability arranged to remedy these things, also at no cost to Miss E;
- Miss E remained unhappy with the car’s overall condition and performance, and she asked Motability to end the finance agreement;
- In May 2025, Motability agreed to an early termination of the agreement. It collected the car, and refunded Miss E her deposit, and it gave her a further £600 to cover the optional extras she’d paid for – it did this as a goodwill gesture;
- Miss E is unhappy with how Motability resolved her complaint – she’d like a higher compensation payment to recognise her distress and inconvenience.

Motability issued its *Final Response Letter* and said it had agreed to the termination of the agreement, and that in addition to the goodwill gesture, it would provide Miss E with a car to keep her mobile while she waited for her new car to arrive.

Our Investigator looked at this complaint and said she didn't think it should be upheld. She explained the relevance of the Consumer Rights Act 2015 ("CRA") in the circumstances of this complaint and said that given the time Miss E had been in possession of the car, she'd seen no evidence that some of the faults complained of were present or developing at the point of supply. She noted that the other issues raised by Miss E had been dealt with at no cost to her, and that when she asked to terminate the agreement, Motability had accepted this request, refunded her the deposit, and provided her with a courtesy car until her new car was ready.

In conclusion, our Investigator said although there had been a number of faults with the car, she'd seen no evidence that these were present or developing when the car was supplied, so she couldn't conclude that Motability had supplied a car that was not of satisfactory quality.

Our Investigator explained that some of the points complained about by Miss E were not things she could look at. She said this Service couldn't look at any complaints about the new car or new finance agreement – they hadn't started yet. And in any event, Miss E would need to complain about the new car to Motability in the first instance.

Our Investigator also told Miss E that she couldn't consider a complaint about Miss E's daughter not being permitted to drive the new car because of her age. And complaints about the repairs following her car accident were not the responsibility of Motability – they were unrelated to the quality of the car supplied by Motability – and she'd need to pursue these with her insurance company.

Miss E disagrees so the complaint comes 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 done so, I agree with our investigator – I don't think this complaint should be upheld – and I'll explain why.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire agreement entered into by Miss E is a regulated consumer credit agreement, this Service is able to consider complaints relating to it. Motability is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Miss E was of satisfactory quality or not.

I don't think there's any dispute that Miss E has experienced problems with the car - that has been well evidenced by both her testimony and the large amount of information she's sent this Service. And it doesn't seem to me that Motability disputes what Miss says about the problems she's experienced. But just because Miss E has had problems with the car, and things have gone wrong, it doesn't necessary follow that the car supplied to Miss E wasn't of satisfactory quality.

Motability would only be responsible for putting things right if I'm satisfied that the issues Miss E complains about now were present or developing when the car was supplied – that is to say, the car wasn't of satisfactory quality when Miss E acquired it in June 2023. And I simply haven't seen anything, for example, an independent engineer's report, that explains the cause of the faults and shows me that the faults were present or developing when the car was supplied to Miss E; or that issues she had were a result of previous repairs that have failed.

I have to tell Miss E that even if there were such evidence, and even if I were to be persuaded that the car supplied by Motability was not of satisfactory quality, there's nothing further I'd be asking it to do. It's done everything, and more, that this Service would expect of it in those circumstances; the agreement has been cancelled, the car has been collected, Miss E has had her deposit back and she's incurred no costs for repairs because Motability covered these. There's also been the goodwill payment.

I know Miss E will be disappointed with the outcome of her complaint, but I hope she understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 23 March 2026.

Andrew Macnamara
Ombudsman