

The complaint

Mr P complains about Motability Operations Limited's (Motability) decision to terminate an agreement he has with them.

Mr P has been represented by his wife but for ease I will refer only to him in this decision.

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 P took receipt of a used car in July 2023. He financed the deal through a hire agreement with Motability. They threatened to terminate the agreement after learning Mr P wasn't insured to drive the car and that his wife was the sole driver. They said that was against the terms and conditions that said the car "*may only be used by or for the benefit of the Disabled Person*". They said they would allow the contract to continue but only if Mr P agreed to have a tracker fitted so they could ensure the car was being used in accordance with the terms of the agreement.

Mr P wouldn't allow a tracker to be fitted so Motability sent him a notice of termination in July 2025. Mr P's representative says that was unreasonable, that Mr P didn't understand because of his disability, that fitting a tracker was punitive and that he did get use from the car as he was driven to medical appointments and social engagements in it.

Our investigator didn't think Motability had been unreasonable to apply the terms of the contract in the way they had but as Mr P disagreed, his complaint has been referred to me, an ombudsman, to make a 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 agree with the investigator's view of this complaint and for broadly the same reasons. 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 P acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of the finance agreement explained:

“The motability.co.uk Vehicle or Replacement vehicle may only be driven by Drivers and may only be used by or for the benefit of the Disabled Person.”

As Mr P wasn't insured to drive the car and as he had explained to Motability that he didn't, it follows that if Mrs P drove the car it *“may only be used”* for Mr P's benefit.

The terms of the agreement also explain that:

“We reserve the right to install a Telematics Device in the Vehicle to track the location and use of the Vehicle...”

I don't think Motability were unfair to therefore ask for a tracker to be fitted. I don't consider that a punishment; rather, it was a reasonable measure to ensure that the car was being used only for Mr P's benefit and in line with the contractual requirements. It didn't change the terms of the agreement and while it may have been confusing for Mr P initially given his disability, Motability have continued to offer the potential to install a tracker and that time would have enabled the situation to be adequately explained to Mr P perhaps by Mrs P who clearly understands the implications. I don't think Motability have therefore disadvantaged him.

Ultimately, I'm not persuaded Motability have done anything wrong here and I'm not asking them to do anything differently.

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 P to accept or reject my decision before 25 December 2025.

Phillip McMahon
Ombudsman