

The complaint

Mr G is unhappy that Motability Operations Limited (MOL) terminated his hire agreement.

When I refer to what Mr G and/or MOL said or did, it should also be taken to include things said or done on their behalf.

What happened

In April 2023, Mr G entered into a three-year hire agreement with MOL for a car first registered that year.

In March 2025, MOL terminated the agreement, which, as Mr G says, caused him significant distress and inconvenience. He believes the decision was unfair because the car was used without his knowledge or consent when another individual committed a speeding offence.

Mr G explains he was unaware of the unauthorised use by the other individual until receiving a police notice. On the day of the offence, he was experiencing severe mental health difficulties, had taken prescribed medication, and was asleep. He later learned that a friend present at his home had taken the car without Mr G's permission. When confronted, the individual admitted to using the car and claimed to have trade insurance, unaware that the car was part of the MOL scheme and restricted to authorised drivers only. Mr G requested a written statement from the individual, but they refused and became uncontactable. Mr G said he promptly provided the individual's details to the police and reported the unauthorised use.

MOL later cited the use of the car by that other individual as a breach and a reason for terminating the hire agreement. Mr G acknowledges his responsibilities as the primary hirer but maintains he had no control over the incident. He also clarifies that his mention of trade insurance during a call with MOL was not intended to justify the individual's actions but was based on recollection. He notes that his health condition, medication, and English not being his first language may have contributed to miscommunication. Additionally, he was not offered an interpreter during the call, which further hindered his ability to explain the situation.

Mr G says the termination and not having the car has worsened his daily struggles, making basic tasks difficult and increasing distress and uncertainty, which has negatively impacted his well-being. He believes MOL's decision was based on an incident beyond his knowledge or consent and considers it unfair.

On 18 March 2025 MOL responded to Mr G's complaint. In this correspondence they said a termination notice was sent to Mr G as they were made aware that his car was being driven uninsured, following a breach of clause 3.1, and 15.1.1 of the terms and conditions. In this correspondence they said that Mr G told them that he thought his friend, who drove the car, was covered under trade insurance. He has also written to them later, to explain that car was taken without his consent. MOL said they received a Notice of Intended Prosecution (NIP) from the Police confirming that another individual was the driver at the time of a speeding offence. As the other individual is not named on their policy, they have made the decision to end Mr G's agreement and apply a four-year sanction, keeping Mr G

away from the scheme. In this correspondence they said that the information provided by Mr G before they issued this correspondence did not remove their concerns sufficiently to allow the agreement to continue.

Mr G was not happy with the above. As such, he referred his complaint to Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that the complaint should not be upheld. The investigator said MOL was within their right to terminate the hire agreement based on the information .

Mr G disagreed, so, 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances. When I am considering what is fair and reasonable, I need to take into account the relevant rules, guidance, the law, and, where appropriate, what would be considered to have been good industry practice at the relevant time. Mr G acquired the car under a hire agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements.

I have summarised this complaint briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. However, I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Mr G has told us a lot about his health and his circumstances so I would also like to express my considerable sympathy for the position Mr G is in. With that in mind, I know that what I am about to say might be unwelcome news to Mr G, and I am truly sorry if my decision adds to his distress.

First, I considered if MOL were within their contractual right to terminate the hire agreement in question.

I can see that as a reason for terminating the agreement, MOL has sited clause 3.1 of the hire agreement:

“You must ensure that the Vehicle or Replacement Vehicle is used properly and only for the purpose for which it was designed. You must ensure that the Vehicle or Replacement Vehicle is not used for any unlawful or immoral purpose or in contravention of any legal requirement. The Vehicle or Replacement Vehicle may only be driven by Drivers and may only be used by or for the benefit of the Disabled Person. It is your responsibility to ensure that any Driver is aware of the restrictions around the use of the Vehicle.”

And clause 15.1 of the hire agreement:

“we may terminate the Agreement by providing you with notice if at any time, you do not comply with any of your main obligations under this Agreement”

Based on the above, I do not think it was unreasonable for MOL to terminate the hire agreement in question, based on the information they had at the time. MOL was within their contractual right to terminate the agreement because the car was driven by driver that was not authorised by MOL and/or named under the agreement.

Mr G has told us the incident occurred without his knowledge or consent, and that the unauthorised use of the car has been reported to the police, and they are actively investigating the matter in order to identify the individual responsible. He also told us that there is an upcoming court case scheduled.

I have taken what Mr G told us into account. However, in this decision I am only considering if the actions/inactions of MOL were fair and reasonable at the time they decided to terminate the hire agreement in question with the information they had at the time. As such, in this decision I only focused on the aspects I can look into. And I am only looking at the events that have been raised by Mr G with MOL, and the ones they had an opportunity to address in their correspondence dated 18 March 2025.

If in the future Mr G will have new information, once the court hearing has concluded, he should provide this to MOL so they can consider if that changes their stance. Once MOL has an opportunity to consider any new information, if Mr G still remains unhappy with their response, at that stage he may be able to make a new complaint.

Overall, I sympathise with Mr G for the difficulties that he is experiencing. However, taking all the circumstances of the complaint into account, I think MOL was within their contractual right to terminate the agreement based on the information they had at the time.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 January 2026.

Mike Kozbial
Ombudsman