

## **The complaint**

Miss E complains that Motability Operations Limited require payment of an early termination fee for ending the agreement early.

## **What happened**

In May 2025 Miss E entered into a 3 year contract hire agreement with Motability.

In August 2025 Miss E contacted Motability to explain that her health had worsened and she was finding it increasingly difficult to manage with the space in the vehicle. Miss E asked about ending the agreement early and was advised that there was an early termination fee. Miss E was unhappy about the fee and said she would consider her options.

In October 2025 Miss E contacted Motability again and asked to end the agreement, stating her declining health and the need for more space for her mobility aids. Motability confirmed that the early termination fee still applied.

Miss E was unhappy about the fee and raised a complaint with Motability.

Motability issued a final response on 3 November 2025 in which it acknowledged Miss E's health difficulties and was willing to support a voluntary cancellation but the early termination fee couldn't be waived.

Miss E was unhappy with the response and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said the early termination fee was in the terms and conditions that Miss E had agreed to when she entered the agreement.

Miss E didn't agree. She provided medical evidence and said her need to end the agreement early was as a result of her disability worsening. Miss E said the early termination fee should be waived on medical grounds.

Because Miss E didn't agree I've been asked to review the complaint.

## **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 know it will disappoint Miss E but I agree with the investigators opinion. I'll explain why.

I've reviewed the agreement that Miss E signed with Motability. The terms and conditions state – at clause 12.4.2 – that when a customer chooses to end the agreement early, an early termination fee of £250 is payable. Miss E agreed to these terms and conditions when she entered into the agreement.

I understand that the reason Miss E wants to end the agreement early is due to her health condition worsening. I'm sorry to hear about that. It's not in dispute that Miss E has a

legitimate reason for wanting to end the agreement early. But I'm unable to say that Motability has acted unfairly by charging the early termination fee. The fee is clearly set out in the terms and conditions and reflects the fact that Motability will incur administrative costs in bringing the agreement to an end early. Motability will incur these costs irrespective of the reason for the early termination.

I appreciate that Miss E feels that Motability should waive the fee as a reasonable adjustment in the light of her disability. However, I think Motability has acted fairly and reasonably by agreeing to allow Miss E to end the agreement early. The right to end an agreement early isn't generally available under other types of contract hire agreement.

Taking everything into account, I'm unable to ask Motability to do anything further here. If Mrs E wants to end the agreement early then the early termination fee needs to be paid.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 9 January 2026.

Emma Davy  
**Ombudsman**