

The complaint

Mr M complains that Motability Operations Limited (Motability) won't let him cancel his car lease early.

What happened

Mr M has been leasing his current car through Motability since December 2023. In December 2024 he asked Motability to allow him to end his current car lease early because he felt the car was too small and was uncomfortable to drive and causing him a lot of pain.

Motability noted that he'd ended his four previous agreements early and they refused his request under the Scheme Multiple Cancellation Policy (SMCP). They said that in recognition of his health concerns they could allow him to end his lease earlier but that if he did, he would not be able to lease a new car through their scheme for two years.

Mr M referred his complaint to us, but our investigator didn't think Motability had been unreasonable in the circumstances. As Mr M 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 M acquired his car under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

There was no contractual right that would allow Mr M to terminate the agreement early. The agreement was for a minimum of three years but MO could agree to a cancellation at their discretion. Indeed, they had done so on four previous occasions since 2019.

I've considered whether the decision to reject Mr M's termination request was a fair one and in doing so I've borne in mind that the scheme purpose is to provide vehicles to improve customer's mobility and that the charitable grants it provides that fund these contracts are made to support customers who would otherwise struggle to afford mobility solutions. It seems to me that these are not ordinary finance agreements and any request for termination of an agreement shouldn't be treated like an ordinary contractual termination but that it needs to take account of the disability-related reasons for needing to end the lease.

Mr M has explained the conditions he suffers from, and I can understand that in normal circumstances there would be a reasonable expectation that Motability would help him and agree to allow him to end the agreement on compassionate grounds and to switch cars. But these weren't normal circumstances.

This was the fifth time in six years that Mr M had made that application and I think in those circumstances Motability were fair to rely on their SMCP that meant cancelling three agreements or more would result in exclusion from the scheme. I'm mindful here that a cancellation would have a financial implication for Motability and that they reinvest any profits they make to improve the scheme for others. While I can't see the SMCP stated in the terms and conditions of the agreement it was a policy that had been explained to Mr M before he'd cancelled his previous agreements. This means he was aware of the consequences of repeated early terminations, and Motability's decision aligns with that prior notice.

The scheme is designed to provide affordable mobility solutions for disabled customers, funded by charitable grants and reinvested profits. Frequent cancellations create additional costs that could otherwise support other customers in need. This reinforces why Motability must apply its policies consistently.

While compassionate grounds are an important consideration, they cannot override repeated breaches of policy without undermining the scheme's viability. Motability had previously exercised discretion on four occasions, which shows they have acted reasonably and sympathetically in the past.

Given the repeated nature of the requests, the prior warnings, and the scheme's charitable purpose, I find Motability's decision proportionate and fair.

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 M to accept or reject my decision before 31 December 2025.

Phillip McMahon
Ombudsman