

## The complaint

Miss H complains that a car that was supplied to her under a hire agreement with Motability Operations Limited wasn't of satisfactory quality and about other issues arising from the car being destroyed by a fire.

## What happened

A new car was supplied to Miss H under a hire agreement with Motability Operations that she electronically signed in October 2024. Miss H made an advance rental payment of £749 to Motability Operations and she agreed to pay 39 rental instalments of the total allowance payable at four weekly intervals. The car was destroyed by a fire in January 2025 and Miss H complained to the manufacturer, the dealer and Motability Operations about issues arising from the fire. Motability Operations accepted that the situation could have been handled better and raised a payment to Miss H for £400 for the stress and inconvenience caused.

Miss H wasn't satisfied with its response so referred her complaint to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, didn't think that Motability Operations had acted fairly. He was persuaded that there was a fault with the car's high voltage battery which caused the car to catch fire and that the car was of unsatisfactory quality. He recommended that Motability Operations should pay for repairs to Miss H's driveway and refund, on a pro-rata basis, the advance rental payment, with interest.

Miss H accepted the investigator's recommendation but Motability Operations has asked for this complaint to be reviewed by an Ombudsman. It says, in summary, that:

- it has already made a fair and reasonable goodwill gesture and has offered a lot of support throughout the case;
- the manufacturer is trying to get to the root cause of the fire and has advised that it wants to settle it with its insurance but wants to do further tests on the battery;
- the claim is currently listed as a fault claim but, if a manufacture defect is established, it will be changed to a non-fault claim and Miss H can look to recover all costs from the manufacturer directly; and
- it wouldn't be appropriate for it to cover the driveway damage as the cause of the fire is still under investigation and hasn't been confirmed, it wouldn't be reasonable for it to assume liability for property damage that may sit elsewhere as part of the insurance process, and accepting responsibility for the driveway damage would imply liability for something outside its control.

## 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.

Miss H has complained about the manufacturer, the dealer and Motability Operations, but in this decision I'm only considering the complaint that she's made about Motability Operations. Motability Operations, as the supplier of the car, was responsible for ensuring that it was of

satisfactory quality when it was supplied to Miss H. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Miss H was a new car and I consider that it was reasonable for her to expect that it would be free from even minor defects.

Miss H has described the issues that she had with the car and the safety recalls that she received about the car. The car was then destroyed when parked on her driveway by a fire in January 2025, only about three months after the car had been supplied to her, and the driveway was damaged by the fire. The car was declared a total loss and the hire agreement was settled. Miss H was provided with a hire car, but I understand that it was withdrawn in August 2025 as Miss H hadn't placed an order for a replacement car. The investigator described those events in more detail and thought that Motability Operations had acted fairly with regards to them. As Miss H has accepted the investigator's recommendation, I haven't considered those issues any further.

The fire service attended the fire and I understand that a report was commissioned to establish its cause, but a copy of the report hasn't been provided to Miss H or this service, despite being requested. Miss H has provided a recording of a phone call with an insurer in which part or the report was read to her, as follows:

*"Based on available information and current evidence, I'm of the opinion that the cause of the fire was a consequence of a concern involving the high-voltage lithium ion battery. Preliminary non-intrusive examination established fire causation to be more likely related to a thermal runaway concern within the HV battery".*

In complaints such as this one, where the evidence is incomplete, inconclusive or contradictory, I have to make my decision on the balance of probabilities and on what I consider is most likely to have happened in light of the available evidence and the wider circumstances. Having done that, I consider it to be more likely than not that there was a fault with the car's battery that caused the car to catch fire and, as the car was only about three months old, I also consider it to be more likely than not that the car wasn't of satisfactory quality when it was supplied to Miss H. I find that it would be fair and reasonable in these circumstances for Motability Operations to take the actions described below to put things right.

### **Putting things right**

Miss H complained to Motability Operations about issues arising from the fire in February 2025 and it accepted that the situation could have been handled better and raised a payment to Miss H for £400 for the stress and inconvenience caused. I understand that it has also written off the £100 insurance excess that should have been payable by Miss H under the terms of the hire agreement. These events will have caused distress and inconvenience for Miss H and she's described the impact that they had on her and her family. The investigator thought that the amount paid was fair and in line with this service's approach to awards for distress and inconvenience. Miss H has accepted the investigator's recommendation and I agree that the £400 that Motability Operations has paid to Miss H is fair and reasonable compensation for that distress and inconvenience.

The hire agreement has been settled but Miss H made an advance rental payment of £749 to Motability Operations. The minimum hire term of the hire agreement was three years, but Miss H was only able to use the car from October 2024, when it was supplied to her, until the car was destroyed by the fire in January 2025. I find that it would be fair and reasonable for Motability Operations to refund the advance rental payment to Miss H, on a pro-rata basis, for the time that she wasn't able to use the car, with interest.

Miss H has provided evidence to show that her driveway was damaged by the fire and a quote of £7,440 for the required repair work. I consider that the damage to the driveway was caused as a consequence of the car that was supplied to her by Motability Operations not being of satisfactory quality. I find that it would also be fair and reasonable for Motability Operations to pay for the repair work. The driveway was damaged in January 2025, nearly a year ago, but Motability Operations says that the cause of the fire is still under investigation and that liability for the property damage may sit elsewhere as part of the insurance process. The hire agreement was made between Miss H and Motability Operations and Miss H has no direct contractual relationship with either the manufacturer or the dealer. If it's determined that a third party is liable for the damage to the driveway, I would expect Motability Operations to claim the cost of the repair to the driveway from the third party and I'm not persuaded that it would be fair or reasonable for the repair to Miss H's driveway to be delayed any further.

### **My final decision**

My decision is that I uphold Miss H's complaint and I order Motability Operations Limited to:

1. Refund to Miss H the advance rental payment that she made under the hire agreement, on a pro-rata basis, for the time that she wasn't able to use the car.
2. Pay interest on the amount to be refunded at an annual rate of 8% simple from the date of payment to the date of settlement.
3. Pay for the required repair work to Miss H's driveway.

HM Revenue & Customs requires Motability Operations to deduct tax from the interest payment referred to above. Motability Operations must give Miss H a certificate showing how much tax it's deducted if she asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 2 February 2026.

Jarrod Hastings  
**Ombudsman**