

The complaint

Miss J says Motability Operations Limited (who I'll call 'MO') were unreasonable to terminate a lease she was an appointee for.

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.

Miss J entered into a finance agreement as the appointee for her son in May 2023. The agreement financed the lease of a new car.

In August 2025 the car was seized by the police as her son had been driving without a licence or insurance and at speeds up to 100mph. He was also in possession of an offensive weapon.

MO subsequently relied on a clause in the finance agreement that entitled them to terminate the agreement if the car was seized. They also explained that Miss J wouldn't be able to reapply for a new vehicle under the MO scheme for four years, but they subsequently reduced that suspension to two years when Miss J appealed. Miss J thought MO's decision was unreasonable and she therefore referred her complaint to this service.

Our investigator didn't think MO's decision was unfair. But Miss J disagreed. She explained that there were exceptional circumstances as her disability and that of both of her children meant they relied on the vehicle to get them to hospital appointments. She said she'd cooperated with the police and could make safeguarding efforts to ensure her son wasn't able to drive the car and she said the two-year suspension was disproportionate. She also said MO hadn't handled her complaint well as her case handler had been changed and she received correspondence with little time to respond. Miss J asked for a decision by an ombudsman.

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.

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.

The car was funded under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

I've carefully considered the circumstances in which the vehicle was seized and the impact that MO's decision has had on Miss J and her family. I accept that Miss J and her children have significant reliance on a vehicle because of their disabilities and the need to attend medical appointments and have taken account of her willingness to cooperate with the police and put safeguarding measures in place. However, the car was used in a very serious way, including being driven at high speed without a licence or insurance and in connection with criminal behaviour. This created a significant risk to public safety and represented a fundamental breach of the trust on which the scheme operates. In these circumstances, I'm satisfied it was reasonable for the business to rely on the contractual term allowing termination following seizure. I'm also persuaded that MO exercised discretion in a proportionate way by reducing the initial four-year exclusion period to two years in light of Miss J's personal circumstances, rather than applying the scheme rules rigidly. Balancing the seriousness of the misuse against the mitigating factors Miss J raised, I conclude that MO's overall response was fair and reasonable.

I've not seen that MO's complaint handling in relation to this complaint has been so poor as to warrant compensation. While a change of case handler wouldn't have been helpful I don't think it unreasonable and while sending a letter on a bank holiday may have made it more difficult for Miss J to respond I've not seen that MO didn't take her appeal into proper consideration.

Miss J has also raised concerns about storage costs MO are holding her responsible for. That's not something MO had considered, and Miss J will need to allow them to consider that complaint separately. She can refer it to this service if she remains dissatisfied with MO's decision on that issue.

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 Miss J to accept or reject my decision before 3 March 2026.

Phillip McMahon
Ombudsman