

## The complaint

Mr M complains about the quality of a car he acquired under hire agreement with Motability Operations Limited trading as Motability Operations (MOL).

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

## What happened

In August 2024, Mr M entered into a hire agreement with MOL for a car first registered that same year. During the minimum hire term there were 39 instalments. There was an advance rental payment in the amount of £1,499.

Mr M said that the car had recurring issues with the boot opening. He said he had various diagnostics done to confirm the fault and, as it was not fixed, he lost confidence in the car. He would like a full refund of all payments he made for the car as, he said, it is unfit for purpose and has repeatedly failed despite multiple attempts at a repair.

MOL attempted to replicate the fault but were unable to do so. Despite this, they offered £200 compensation, cancellation of the agreement with no fee, reimbursement of the cost to retain the cherish plate, and a full refund of the advance payment.

MOL also wrote to Mr M on 27 June 2025. They said they contacted one of the car's main dealers, who advised that they had completed a full software update on the car as there were updates outstanding and had test driven the car several times but still had not been able to replicate the fault.

Regardless, MOL still offered to waive the standard £250 cancellation fee and reimburse the costs of Mr M retaining a cherished plate. They have also agreed a full refund of the advance payment. MOL said that, as Mr M declined that offer, they arranged for an independent inspection to be completed on the car. The inspection confirmed that they were unable to recreate the described fault. The inspection advised that there were some historic fault codes showing regarding failing to connect to the internet and an issue with a previous USB connection, however these were historical and there were no active fault codes in the car. As such, MOL said they were unable to prove there is an active fault with the car. They said, despite this, they did provide Mr M with a hire car, and they agreed to provide a full refund of his advance payment. Furthermore, they offered a reimbursement of £80 to cover the costs of retaining his cherished plate and £200 goodwill payment to acknowledge the length of time this has taken.

Mr M remained unhappy, as such he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman). He feels he should be refunded every payment he has made while he had the car plus a significantly higher amount of compensation.

Our investigator considered Mr M's complaint. The investigator was of the opinion the redress offered by MOL was fair and reasonable, considering the circumstances of his complaint.

Mr M did not agree with the investigator. As such, 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. In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr M acquired the car under hire agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. MOL is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

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. But 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.

I know that Mr M is unhappy about certain actions/inactions of certain dealerships. However, I can only consider actions/inactions of MOL, and only the aspects they are responsible for and ones that they have had had an opportunity to address, as such I cannot look at certain actions and/or inactions of the dealership which Mr M might be unhappy about. In this decision I only focused on the aspects I can look into, and only the events that have been raised by Mr M with MOL, and the ones they had the opportunity to address in their final response issued to him on 27 June 2025.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr M entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr M's case the car was new. Given that the car was new, I think it is fair to say that a reasonable person would expect it to be of a higher quality than a cheaper and/or previously used car. I think it would also be reasonable to expect the car to last a considerable period of time before any problems occurred, and it would be reasonable to expect it to be free from even minor defects shortly after it was acquired.

Mr M thinks that he should be entitled to reject the car.

The CRA sets out that Mr M has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and he would need to ask for the rejection within that time. Mr M would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr M would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but he would not have the right to reject the car until he has exercised his right to a repair first – this is called his final right to reject. This would be available to him if that repair had not been successful.

First, I considered if there were faults with the car.

From all the evidence provided by both sides, I think most likely, there was a fault with the boot of the car opening spontaneously. When coming to this conclusion, I have considered Mr M's testimony and some of the evidence provided which confirms this fault. However, just because a car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. As such, I have considered if the car was of unsatisfactory quality when it was supplied to Mr M.

Mr M said that from early on after supply he was having issues with the boot opening and there were some fault codes that were found in the car. Taking that into consideration, combined with the price, age, and mileage of the car when it was supplied – and when the fault first happened – I think on balance the car was not of satisfactory quality at the point of supply. However, from the available evidence it seems that the car, after it had some software updates, most likely, no longer had the fault in question. I say this because I have not seen enough evidence to be able to say that the fault still exists.

I know Mr M said that he lacks confidence in the car, and he still feels the fault is there. However, MOL said that on 20 May 2025 the dealership advised that they were unable to replicate the fault. Hence, based on all the available evidence on file, I have not seen enough to convince me, on balance, that the repair was unsuccessful which, in turn, under the CRA would allow Mr M to be able to exercise his right to reject the car. Also, I have taken into consideration that, when the car was in for repairs, Mr M said that he was not kept mobile in a like for like car and that he feels that he should be compensated a lot more due to the issues he has experienced. However, I think MOL's proposal was more than fair and reasonable considering the circumstances of this complaint.

Therefore, I think MOL's offer to provide a full refund of his advance payment, plus a reimbursement of £80 to cover the costs of retaining his cherished plate and a further £200 compensation are a fair and reasonable resolution to Mr M's complaint. I think most of this has now been actioned by MOL but if not, they should do so within a reasonable time frame.

I know that this is not the ideal outcome which Mr M would like, and I would like to express my sympathy for the position he is in, as I know it has been a difficult time for him. However, I think MOL is not required to take any further action except for what they have already offered.

### **My final decision**

For the reasons given above, I think it is fair and reasonable that Motability Operations is not required to take any further action except to:

- Provide a full refund of Mr M's advance payment;
- Reimburse Mr M £80 to cover the costs of retaining his cherished plate;
- Pay £200 compensation, if this has not yet been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 January 2026.

Mike Kozbial  
**Ombudsman**