

## The complaint

Miss D complains that the car she acquired through Motability Operations Limited (“Motability”) wasn’t of satisfactory quality and she’s unhappy with the way in which Motability has investigated her complaint. Miss D wants to reject the car, terminate the lease, and receive a full refund of the money she’s paid.

## What happened

In January 2025 Miss D was supplied with a car by Motability financed through a hire agreement. Under the hire agreement, the *Advanced Rental Payment* was £845, once Miss D’s deposit was taken into account, and the rental instalments were to be paid as 39 amounts at 4-weekly intervals.

Miss D says the car that she was supplied with wasn’t of satisfactory quality – she says she’s experience a number of problems with the car from the point of collection. Miss D told us:

- The heater was faulty from the outset, and mould appeared on the windows within weeks of her collecting the car which led to a musty smell in the car;
- the issue with the heater was addressed by the supplying dealership, but she wasn’t given a proper explanation of what had happened, and the engineer made some incorrect conclusions about the timeline and the appearance of the mould;
- the car’s tyre pressure warning light illuminated on a number of occasions, but the supplying dealership found no fault with it;
- in March, one of the tyres punctured, and she had to be recovered by a third-party. A national high street, car repair centre replaced the tyre and identified the cause as being a metal rod that was lodged within the tyre itself;
- she wants to end the lease with Motability and reject the car.

Motability rejected the complaint about the satisfactory quality of the car it had supplied. It apologised that Miss D had experienced problems with the car. Motability said it had liaised with the supplying dealership and concluded that it’s sometimes necessary to reset the tyre pressure warning system on a new car, but it said that the “*foreign object*” that caused the tyre to deflate was not something that it could be held responsible for; there was no evidence that this object, or the puncture were present or developing at the point the car was supplied two months earlier.

Motability told this Service that Miss D had first reported issues with the car on 1 February, and the car was booked in for a service appointment on 26 February. During this appointment, no issues with the tyres or the tyre pressure sensors were identified. It said that at the same time, the heater switch was replaced, and the car was cleaned.

Our Investigator looked at this complaint and said that he thought it should be upheld and he recommended Motability pay Miss D some compensation for the inconvenience and anxiety she’d experienced because of the problems with the car. He explained that under the hire agreement, Miss D had been supplied with a brand-new car and should’ve been able to expect drive it without issue.

Our Investigator noted that the supplying dealership had replaced a heater switch and had to clean the car because of the presence of the mould – things that Miss D should've expected her brand-new car not to need so soon after supply. Our Investigator acknowledged that these things had been addressed relatively quickly, but that their very presence would've caused inconvenience and anxiety to Miss D, and he asked Motability to pay her £100 compensation.

Our Investigator said he'd seen no evidence that the puncture, or the metal rod that caused it, could be attributed to Motability or the supplying dealership, and he couldn't hold them responsible for the need to have the punctured tyre replaced.

Miss D initially disagreed with the Investigator's recommendation, and she asked for more compensation. But once our Investigator explained what his investigation had focussed on, she accepted the recommended payment of £100.

Motability disagrees that it should pay any compensation, so the complaint comes to me to decide. It says Miss D may have found the situation distressing but any compensation is not proportionate in the circumstances. Motability said that the issues the investigator found proved – the concerns with the heater switch and the presence of mould – were addressed quickly. And it suggested that compensation is usually a matter for poor service or poor complaint handling.

### **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.

As the hire agreement entered into by Miss D is a regulated consumer credit agreement this service is able to consider complaints relating to it. Motability is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. This says under a contract to supply goods, the supplier – Motability in this case – has a responsibility to make sure the goods were of 'satisfactory quality'. So, what I need to consider in this case is whether the car supplied to Miss D was of satisfactory quality or not.

Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. In this case, I would consider relevant factors to include, amongst others, the car's age, price, description and mileage.

And, having considered things most carefully, I think this complaint should be upheld, and that it should be upheld for the same reasons set out clearly by our Investigator.

In this particular case, there's no dispute between the parties that the car's heater switch was replaced, and that the supplying dealership had to undertake an internal clean of the car. So, I don't intend to make a finding on the existence of these problems.

Similarly, our Investigator explained that the issue complained of with the tyre pressure sensor that couldn't be replicated, together with the absence of any evidence linking the punctured tyre and the metal rod to the supplying dealership, means that I can't hold

Motability liable for either of these matters. And I've noted that, again, both parties seem to accept this.

So, the only area of disagreement that remains is whether Motability needs to pay Miss D some compensation. And I'm satisfied that it does.

Miss D acquired a brand-new car, so I'm satisfied that her expectations of it would understandably be very high indeed. I don't dispute Motability's assertion that the supplying dealership resolved the issue with the mould, and the heater switch very quickly. And I also accept that things can break unexpectedly and without obvious reason; so the need to replace the heater switch may just have been unfortunate.

But the presence of mould, indeed any mould, in a brand-new car isn't acceptable. And I've seen the photographs and it appears to me to be relatively extensive – I'm simply surprised that this car passed its checks prior to its handover and supply to Miss D. And it's inevitable that the state of the car would cause her worry, anxiety, and a degree of inconvenience. I acknowledge that the car was cleaned very quickly and as a result Miss D's worry and anxiety would have been reduced, but there's no doubt in my mind that the car was not supplied in the condition that it should've been, and that as a result Miss D was caused worry and anxiety, and the inconvenience of having to take the car in for a clean.

I'm going to require Motability to pay Miss D the compensation that was recommended by our Investigator.

Finally, Miss D has indicated that she doesn't have complete faith in the quality of the car that was supplied by Motability. It could be that she does not have full confidence in the replacement of the heater switch, or she fears that other faults may manifest themselves in the future. In this situation, as she's had the car for more than six months, it would be for Miss D to instruct a recognised independent engineer to inspect it.

In the event an independent engineer identified further faults that were likely *present or developing at the point of supply* or concluded that the repair already undertaken by the supplying dealership had failed, then Miss D could bring a new complaint directly to Motability. And in these circumstances, many businesses would *consider* accepting the rejection of the car.

### **Putting things right**

I direct Motability Operations Limited to pay Miss D £100 compensation for the reasons I've set out above.

### **My final decision**

My final decision is that I uphold this complaint and required Motability Operations Limited to pay Miss D £100 compensation to fairly settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 7 May 2026.

Andrew Macnamara  
**Ombudsman**