

The complaint

Miss O complains about the quality of a car she acquired under a hire agreement with Motability Operations Limited (MOL).

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

What happened

In September 2024, Miss O 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 £1,149.

Miss O said soon after delivery of the brand-new car, she experienced an engine fault. The car was booked into the supply dealership on 31 October 2024 for an investigation. On 7 November 2024 the dealership told her the car would require a new GPF sensor, and they said that she would have to raise a claim with the car's insurance company to get the car repaired. MOL said the initial damage to the wiring was caused by rodents, which made the car requiring a new GPF. Miss O said that she had previous cars parked in the same location and there were never any issues with rodent damage. And that there is also a possibility that the car could have experienced rodent damage before it was supplied to her, as the dealership had an external forecourt where the car would have been kept.

Miss O raised a claim with the insurance company to get the car repaired and paid a £100 excess. However, following the repair after the car was delivered to her home on 20 December 2024, upon inspection she noticed that there was a big dent on the front passenger side as well as a scratch on the passenger door. She said the damages were not there when she took the car to the dealership. However, the dealership did not want to assume liability for the damage that happened in their car park. Miss O feels that MOL should take responsibility for the damage as this occurred on their agent's site, hence she raised a complaint with them.

In February 2025, MOL wrote to Miss O. MOL said the dealership carried out diagnostics and concluded the car's fault was because of rodent damage. MOL said the dealership informed them that there was no evidence to suggest the car was damaged whilst it was with them. They also said the dealership has signs in their car park stating they will not be responsible for any damage whilst a car is stored with them. MOL said that, as Miss O did not have any video or photographic evidence showing the car in its condition before it went to the dealership, they would not be responsible for the bodywork damage caused whilst it was on site with the dealership.

Miss O remained unhappy with the above, so her complaint was considered by us, the Financial Ombudsman Service (Financial Ombudsman).

Our investigator looked at the complaint and upheld it. The investigator was of the opinion that the car was of unsatisfactory quality and while it was being repaired, it was damaged.

As such, the investigators thought that MOL should also be responsible for this damage. The investigator explained what MOL should do to put things right.

MOL disagreed 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. Miss O acquired the car under a 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 very 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 focused 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 Miss O 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 Miss O 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 Miss O with MOL, and the ones they had the opportunity to address in their final response issued to her on February 2025.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss O 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.

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.

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

Miss O noticed a warning light on the dashboard, as there were issues with the electrics of the car. She raised these about two weeks after supply. The dealership said the electrical issue was caused by rodent-damaged wiring, and that the car needed a new GPF sensor. Neither side is disputing that the car had a fault with the GPF sensor or its wiring. 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 Miss O.

Given the age, mileage of the car, and the price paid, combined with how quickly Miss O raised the issues, I think most likely, the car was of unsatisfactory quality when it was supplied to Miss O. When reaching this conclusion, I had to decide whether the wiring and the GPF sensor were already damaged before the car was supplied to Miss O.

Miss O told us that she was parking her previous cars in the same location, and previously she never had any issues with rodent damage. As such I have taken her testimony into consideration, I also thought about the fact that:

- Given that the car was new, I think a reasonable person would expect it to be free from even minor defects shortly after it was acquired. And MOL did not provide any detailed information about the damage, its extent, and/or a report as to the probability when the damage could have happened.
- Miss O raised the issue a very short amount of time - only about two weeks – after the car was supplied.

Therefore, considering the above and all the circumstances of this case, I think most likely, the rodent damage happened to the car before it was supplied to Miss O. As such, I think most likely, the car was of unsatisfactory quality when it was supplied to Miss O. I have considered that a repair has now been completed, and it was successful, but Miss O had to pay £100 excess fee to the insurance company to have the repairs completed. I think she would not have needed to do this had MOL supplied her with a car that was of satisfactory quality, so I think it is only fair and reasonable that they refund her the £100 she had to pay.

MOL should also add interest to the refunded amount from the date of payment until the date of settlement. Interest should be calculated at 8% simple interest per year.

During the repair Miss O could not use the car, however, I can see that the loss of use has already been considered and compensation offered to her when the car was being repaired under the insurance policy. As such, I do not think it would be fair and reasonable to ask MOL to pay any further amount for loss of use.

I already explained why I think the car was of unsatisfactory quality and that MOL were responsible for the fault in the car. As such, they are also responsible for ensuring the car was repaired. However, during that repair, the car sustained further damage to its bodywork. I can see that in an email the dealership said that “After further investigation it would appear that the damage to your vehicle must have happened whilst parked in our car park awaiting collection by the insurance company. As per our signage we do not accept liability for any damage caused to vehicles whilst left in our car park.”

Based on the available evidence, I am satisfied that it is more likely than not that the additional bodywork damage occurred while the car was at the dealership for the repair work. The car was in the dealership’s custody and control at that time, and Miss O had no access to it. There is no evidence to say that most likely the damage existed beforehand, and the dealership itself acknowledged that the damage “must have happened whilst parked

in our car park awaiting collection.” That statement supports the conclusion that the damage occurred, most likely, on their site.

I do not think it would be fair or reasonable for Miss O to bear responsibility for this damage. MOL directed Miss O to raise a claim with the insurance company, despite the fact that the repairs were required because the car did not meet the satisfactory quality standard at the point of supply—something MOL was responsible for under the CRA. Bearing the specific circumstances of this case, I do not think it would be fair or reasonable to place that risk or burden of the damage that was caused upon Miss O. Any delay caused by the insurance company in collecting the car was a direct consequence of MOL’s instruction and not due to any failing by Miss O.

The additional bodywork damage represents a consequential loss arising directly from the repair process that was necessary only because the car was not of satisfactory quality when supplied. As a supplier under the hire agreement, MOL is responsible for ensuring the car is repaired to make it conform to the contract. Where further damage occurs during that process, the responsibility for putting that right also should rest with them. MOL had a statutory responsibility under the CRA to supply Miss O with a car of satisfactory quality. They did not do so, and, as a result, the car required repair and subsequently sustained damage while undergoing that repair. For these reasons, I consider that MOL should be responsible for rectifying further damage caused and for ensuring Miss O is not left out of pocket for the issues arising from their earlier failure to meet their obligations. MOL should arrange repairs to the car’s bodywork without causing any further inconvenience to Miss O.

In addition, I think this matter caused Miss O a lot of distress and inconvenience when trying to resolve it. She had to take the car to get it repaired, and she spent a significant amount of time communicating with MOL when trying to set things right. I think, she would not have had to do all that if MOL supplied her with a car that was of a satisfactory quality. In addition, she told us that not having access to her car has significantly impacted her life and health. I think MOL should pay her a total of £200 to reflect the distress and inconvenience caused.

My final decision

For the reasons given above, I uphold this complaint and direct Motability Operations Limited to:

1. Refund the £100 excess fee Miss O had to pay to the insurance company to have the repairs completed;
2. Add interest to the refunded amount from the date of payment until the date of settlement. Interest should be calculated at 8% simple interest per year;
3. Arrange repairs to the car’s bodywork without any further inconvenience to Miss O;
4. Pay Miss O £200 compensation for the distress and inconvenience caused.

If Motability Operations Limited considers that tax should be deducted from the interest element of my award, they should provide Miss O with a certificate showing how much they have taken off, so she can reclaim that amount, if she is eligible to do so.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss O to accept or reject my decision before 31 March 2026.

Mike Kozbial
Ombudsman