

The complaint

Mrs N complains that Motability Operations Limited unfairly terminated the contract hire agreement she entered into to hire a new car for the benefit of her disabled father, Mr N.

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.

In June 2023, Mrs N entered into a hire agreement with Motability for a new vehicle. Under the terms of that agreement, Mrs N was the hirer and her father, Mr N, was the disabled person for whose sole benefit the vehicle was intended to be used.

Motability had a tracker fitted to the car to monitor compliance with the agreement's terms and conditions regarding usage. It carried out periodic reviews which raised concerns that the car was being used primarily for Mrs N and to address Mr N's needs. It wrote a final warning to Mrs N in February 2025 to change the pattern of car usage to be in line with the agreement. Motability subsequently terminated the agreement in May 2025 following no meaningful change.

Mrs N brought her complaint to this service. She said she is her father's full time carer, appointee and the registered driver of the vehicle which is fitted with a tracker. She stated that Mr N is immobile, illiterate and entirely dependent on her for his daily care. Mrs N didn't feel that Motability was being compassionate or understanding with the way it handled this situation. She wanted the agreement reinstated with her listed as the named driver.

Our investigator concluded that Motability was within its rights to terminate the agreement. Mrs N didn't agree and asked for a decision from an ombudsman. She made some additional comments to which I have responded below as appropriate.

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 realise this will come as a disappointment to Mrs N but having done so I agree with the conclusions reached by the investigator for the reasons I've outlined below.

I've seen a copy of the hire agreement. Mrs N is noted as the "hirer." It says

"This is a Hire Agreement regulated by the Consumer Credit Act 1974. Sign it only if you want to be legally bound by its terms."

I've also seen a copy of the terms and conditions. Section three, Your Use of the Vehicle says:

"3.1 You must ensure that the vehicle or replacement vehicle is used properly and only for the purpose for which it was designed. ... The vehicle or replacement vehicle

may only be driven by drivers and may only be used by or for the benefit of the disabled person. It is your responsibility to ensure that any driver is aware of the restrictions around the use of the vehicle. We reserve the right to install a telematics device in the vehicle to track the location and use of the vehicle and to monitor driver behaviour."

Mrs N signed the agreement on 29 June 2023 and so agreed to be bound by its terms.

I've seen a copy of the customer notes kept by Motability. This agreement was an extension to a previous agreement. In March 2022 the customer notes indicate that Mrs N had been using the car for her own use but told Motability she wasn't aware this wasn't permitted. A tracker was discussed and eventually fitted in June 2023 around the time of the new agreement. This would need to show Motability there were regular journeys to and from Mr N's address to evidence he is receiving the benefit of the car.

Motability's customer notes set out the timings of its periodic reviews of the vehicle's usage. During the review on 7 November 2023, it was noted that Mrs N was using the car for school runs and she was formally advised the car must no longer be used for this purpose. She asked if the car can be used to pick up the children if she goes straight to her father's house and this was approved. Motability said, "*any other school run journeys we cannot allow.*"

Motability also said -

"89 % of time the car has NOT visited the POI (Mr N) (over the last 90 days)...Customer aware that failure to improve data will result in Termination Notice."

I'm persuaded at this point Mrs N was aware that the car needed to be used for the sole benefit of Mr N.

In February 2025 Motability carried out another review. It still had concerns that the car continued to be used for school runs and not for her father's benefit. It said it was otherwise satisfied with the usage provided the school runs stopped. It issued a formal warning.

I can see that at the next periodic review in May 2025, Motability identified that the vehicle was still being used for school runs, as it was regularly parked approximately a five minute walk from Mrs N's children's school. It issued a Termination Notice.

Having considered the warnings issued by Motability over an extended period of time I'm satisfied it acted in line with the terms and conditions of the agreement when it terminated the agreement.

Mrs N told this service that she was informed in November she could not use the vehicle for the school run unless her father was physically present in the vehicle, and that if he was not present, she could only drive to the school when en route to his home. She said she complied fully with this instruction. She said she told Motability repeatedly between November 2023 and February 2025 of her father's living arrangements as he frequently stayed with her due to his ongoing needs. I can see that in February 2025 Mrs N told Motability that Mr N was living with her and that he accompanied her on school runs. I can't see that Motability agreed with this, and I also think it likely that this wouldn't count as using the car for her father's sole benefit.

Mrs N has queried the accuracy and reliability of the data recording her movements as she said that in February 2025 Motability was satisfied with the overall usage of the car. The notes do say that Motability was satisfied on the condition that the school runs stop. But it noticed a pattern of driving and parking that was consistent with school runs beyond

February 2025.

Mrs N provided copies of Mr N's medical records and has said Mr N needs access to the car which supports his independence and inclusion in family life. She explained how important the vehicle is for her father's health and wellbeing. And that this was only possible because of the Motability vehicle.

I'm very sorry to see that Mr N has some significant health issues and I understand how important access to a car is. So I realise this is not the outcome Mrs N would like, but I don't think Motability have acted unfairly and I won't be asking it to do anything further.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 23 March 2026.

Maxine Sutton
Ombudsman