

The complaint

Miss S complains that Motability Operations Limited (MO) declined to extend the lease for her vehicle.

Miss S is represented in this complaint, but for ease of reading I'll refer to Miss S directly throughout my decision.

What happened

In December 2020 Miss S acquired a car through a hire agreement with MO which was due to run for a minimum period of three years.

Where hire agreements were due to end in 2023 and 2024, as was the case for Miss S, MO extended these agreements due to supply constraints experienced because of the Covid-19 pandemic. So, Miss S's hire agreement was extended and therefore due to end in December 2025. MO wrote to Miss S in September 2025 to explain her agreement was due to end and she'd need to order a new car.

In November 2025 Miss S asked MO to extend the agreement further, but this was declined and Miss S complained to MO.

MO sent Miss S their final response to her complaint in November 2025. They said no further extension was available on Miss S's current car. They explained they'd offered extensions in 2023 and 2024 to keep customers mobile during supply issues because of Covid-19. But supply issues no longer existed, and they were unable to extend the lease for Miss S's car to ensure sustainability of the scheme.

Unhappy with MO's response, Miss S brought her complaint to this service for investigation. She said that MO handled her situation without care and refused to extend the lease on a medically essential vehicle. Miss S said her circumstances clearly meet the definition of extenuating, and the situation has affected her emotionally, physically and financially.

Our investigator gave their view that the agreement was clear in terms of how long the hire would last, MO had given a clear explanation on why the lease couldn't be extended, and they thought MO had treated Miss S fairly in the circumstances, so they didn't ask MO to do anything more.

Miss S didn't agree, she said she understood the contractual framework around the end of the agreement, but consideration should be given to the effect having to choose a new car would have on her. Miss S has explained that her car is suitable and familiar, and having to choose a new one would require financial, emotional and physical stress with foreseeable health consequences.

As an agreement can't be reached, the case has been passed to me for a decision.

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.

The agreement in this case is a regulated hire agreement – so we can consider a complaint relating to it.

I hope that Miss S won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Miss S should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

The agreement between Miss S and MO states that it will run for a minimum period of three years, and a maximum period of three years plus 24 months – so a total of five years. As the agreement began in December 2020, I'm satisfied that it was due to end no later than December 2025. It follows that I'm satisfied that MO's decision to end the agreement in December 2025 was in line with these terms.

Miss S has explained the impact that having to find a new car will have on her, and I'm sympathetic to the strain that Miss S has explained this will place on her. I must, however, balance that against what Miss S is asking for. She would be paying a significant sum under the agreement for what is now an older car, rather than a brand new one. Miss S would potentially lose out on features of a new car that might help her situation, and she's also likely to have to face circumstances that would bring strain in their own way, such as having to facilitate MOT's and servicing of an older car, and the possibility of dealing with repairs for wear of age related items on an older car, like the clutch and brakes.

I must also balance what is fair in the situation for MO, and they've explained that extensions beyond the maximum hire term result in increasing costs which undermine the sustainability of the scheme.

In simple terms, the older a car is, the more it costs for MO to maintain their obligations under the agreement. So, an aging fleet of vehicles is not financially or operationally stable for MO.

I've considered Miss S's circumstances carefully. And I do empathise with her health and personal circumstances. But all things considered, I don't think it would be reasonable to ask MO to continue to lease a vehicle outside of their contractual obligations. The explanation provided by MO is clear and reasonable, and whilst a new car is not an attractive option for Miss S, I'm not persuaded that retaining the old car will mean Miss S doesn't experience any problems in the future. Renewal of vehicles allows MO to continue to ensure the mobility of Miss S and other consumers in similar circumstances.

I recognise that my decision will come as a disappointment to Miss S. But I am satisfied that MO are entitled to end the agreement as set out in the terms, that they've done so in good time and with clear communication with Miss S, and that they've considered her circumstances seriously and with empathy. And so, I'm not asking MO to do anything more.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept

or reject my decision before 13 March 2026.

Zoe Merriman
Ombudsman