

## **The complaint**

Mr S complains about Motability Operations Limited's (MO) decision to terminate his agreement and apply a sanction.

## **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 January 2024 Mr S entered into a hire agreement with MO for a vehicle under the Motability Scheme.

In early 2025 the vehicle was involved in an incident while being driven by individual who was not insured at the time. MO was notified that the insurer had repudiated the claim because the driver was not covered. They considered this to breach the agreement and terminated the hire agreement, applying a four-year exclusion from rejoining the Motability scheme

Mr S said the breach was unintentional and arose because he intended to add the driver to the insurance policy but due to his medical circumstances forgot to do so. He also said MO failed to make him aware he could appoint a nominated or designated person to help manage the insurance and named drivers on his behalf. He considered that omission to be a failure to make reasonable adjustments and he said the four-year sanction was disproportionate given his disabilities and the impact on him.

MO said the agreement was breached because the vehicle was driven while uninsured, that termination was permitted under the terms, and that the four-year exclusion was applied in line with its scheme policy.

When Mr S referred his complaint to this service our investigator didn't think MO had done anything wrong but as Mr S continued to dispute the matter, his complaint has been referred to me, an ombudsman, to make 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.

I agree with the investigator's view of this complaint, for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

There is no dispute that at the time of the incident the vehicle was being driven by someone who was not insured. The agreement is clear that only drivers shown on the certificate of insurance are permitted to drive the vehicle. I'm satisfied that this was a breach of a fundamental term of the agreement and that under its terms MO was entitled to bring the agreement to an end

I've carefully considered Mr S's argument that MO failed to make reasonable adjustments by not informing him that he could appoint someone to manage the insurance and named drivers on his behalf. I understand why he feels that, had he been made aware of this option, the situation might have been avoided

However, I haven't seen evidence that MO was made aware at the outset of the agreement or before the breach occurred, that Mr S required additional support in managing the insurance arrangements. Firms are expected to take account of known vulnerabilities and to respond appropriately when they are aware of a need for support. But I don't think it would be reasonable to expect MO to proactively explain every possible support mechanism to every customer in the absence of any indication that additional assistance is required

Importantly, the obligation not to allow uninsured driving was clear and central to the agreement. The breach arose because the driver had not been added to the policy at the relevant time. While I accept this was unintentional and occurred in difficult personal circumstances, I don't find that it resulted from an error or omission by MO.

I've also considered whether the four-year exclusion was applied unfairly or disproportionately. MO has explained that this is its standard approach where a vehicle is driven uninsured and I've seen nothing to suggest that Mr S was treated differently from other customers in materially similar circumstances. While I appreciate the significant impact this decision has had on Mr S, I'm not persuaded that MO acted outside its contractual rights or applied its policy in a way that was unfair in his individual case

For those reasons I don't uphold this complaint, and I don't require MO to take any further action.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 March 2026.

Phillip McMahon  
**Ombudsman**