

## **The complaint**

Mr P is unhappy with how Motability Operations Limited (Motability) dealt with supporting him after an accident in a car hired through an agreement with them.

When I refer to what Mr P has said and what Motability have said, it should also be taken to include things said on their behalf.

## **What happened**

Mr P was supplied a new car via a hire agreement with Motability in June 2024. He paid an advance payment of £3,999. His allowance then covered 39 rental instalments at four-week intervals.

On 17 July 2025 Mr P had an accident which he lodged as a claim with the insurance company Motability use. Mr P suffered significant issues with this claim. This included significant delays in getting the car repaired, poor communication and service, lack of courtesy car amongst them. As he was not happy he complained to Motability.

On 12 November 2025 Motability issued their response. They upheld his complaint and agreed to terminate the agreement due to the delays. They paid an enhanced refund of his advance payment. They also paid a total of £625 compensation.

As Mr P did not feel that the compensation was adequate he complained to us.

On 26 January 2026 our investigator issued their view. They did not uphold his complaint. They noted that Motability had upheld his complaint, so it was a question as to whether the compensation was sufficient. They noted that Mr P had been dealing with the insurance company. They felt that once Mr P had made Motability aware of the problem they had taken steps to support Mr P but these were still not adequate. However the investigator felt that Mr P had been adequately compensated by Motability. They also felt that as Mr P was dealing with the insurance company, Motability weren't solely responsible for his poor experience.

Mr P did not agree with the investigator's view. He felt that he hadn't been provided with enough support to take into account his condition.

As Mr P did not agree it has been passed to me to consider.

## **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.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Mr P was supplied with a vehicle under a hire agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

In considering whether Motability has treated Mr P fairly I need to take into account a couple of key factors. The first is by the very nature of the customers that Motability provide vehicles to, they would be considered vulnerable, so require additional support. This is definitely the case with Mr P and he has helpfully provided supporting medical evidence that reinforces this in his case. The second element is that much of this case revolves around the support provided by the insurance company. As Motability arranges the insurance they do have some level of responsibility for the actions of their agent. However as insurance is a regulated activity Mr P is free to pursue a complaint through us against them. So I cannot hold Motability fully responsible for the actions of the insurance company and will primarily judge them on their actions.

I do not need to go into too much detail as to whether Mr P's original complaint is valid, as Motability have upheld his complaint. The issue is whether their proposed actions provide sufficient recompense to Mr P to put things right.

Mr P was supplied a new car via a hire agreement with Motability in June 2024. He paid an advance payment of £3,999. His allowance then covered 39 rental instalments at four week intervals.

Section 5 of this agreement covers insurance. Motability take out insurance and are the policyholder. Mr P is a beneficiary and Motability are required to enforce contractual rights on Mr P's behalf under the policy to the extent they reasonably can. So the key question is have they fulfilled this obligation.

I want to assure both parties that I have fully read the file but will summarise the timeline as follows:

17 July 2025 Mr P has an accident and raised claim with insurance company. Who arranged repairs via their network.

21 July 2025 Initial repairer refused job.

4 August 2025 car was recovered to second repairer

5 August courtesy car provided

Mid-August repairer issued estimate to insurance company and chased approval.

27 August 2025 repairer took courtesy car back as insurance company had not yet authorised repair.

27 August 2025 Mr P raised high level complaint with Motability

28-29 August 2025 Motability chased up insurance company and arranged a hire car to be delivered to Mr P. This was done on the 1 September 2025.

September – October 2025 the file shows that Mr P continued to experience issues with getting updates and the car repaired. The file also shows that Motability did chase the insurance company on Mr P's behalf.

Early November 2025 car repaired and returned to Mr P. However he felt anxious and uncomfortable driving the car due to the delays.

Mid-November 2025 mechanical termination discussed and agreed. Motability agreed to support Mr P with a hire car for three months and back date the advance payment refund to the date of the accident rather than the new car delivery date. So their offer to Mr P, in addition to the termination, was support with hire car, a refund of £2,599.39, a goodwill

payment of £550 to reflect the impact of his experience and £75 for an unnecessary trip to the hire car company.

Through out this time I can see that there were unacceptable delays in approving and carrying out the repair. This led to the removal of the courtesy car, in addition to the period directly after the accident when Mr P did not have a car. I can also see that Mr P has had to constantly chase for updates and progress. This has clearly not only inconvenienced Mr P but had a significant emotional impact on him.

It is clear that Mr P has not been treated fairly. I now need to consider whether Motability have taken reasonable steps to support Mr P. Motability were not made aware of the accident and failure of the insurance company until the 27 August 2025. From that point onwards I can see from the case notes that they were in regular contact with both the insurance company and repairer on Mr P's behalf. They quickly arranged for Mr P to receive a hire car to keep him mobile. They have accepted that the impact on Mr P meant that he had lost confidence in the car and repairer, so agreed to a mechanical termination although the car had been repaired. This included back dating the refund of Mr P's advanced payment to the date of the accident. So I think in terms of their actions Motability have used reasonable endeavours to support Mr P with the insurance company and repairer.

That said they cannot be fully absolved for the actions of the insurance company they have used. They have accepted as much in upholding his complaint. They have agreed to a mechanical termination, enhanced refund of Mr P's advance payment over and above what they would normally provide and pay a total goodwill payment of £625 in recognition of this service failure. In the circumstances given that liability also sits with the insurance company I feel that this is fair.

For those reasons I do not uphold this complaint.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 May 2026.

Leon Livermore  
**Ombudsman**