

The complaint

Ms C complains that at the end of her hire agreement Motability Operations Limited (“MOL”) wouldn’t allow her to purchase the car that was subject to it.

What happened

In April 2021 Ms C entered into a hire agreement with Motability Operations Limited (“MOL”) for a car.

The hire agreement was for a minimum period of three years, starting on the date of delivery of the car. After expiry of the minimum hire period the agreement could continue for a further two years, or until it was terminated in accordance with its terms and conditions.

Prior to taking delivery of the car Ms C paid the supplying dealership £1,200 for added options. Ms C says she did this on the understanding that at the end of the minimum hire period MOL would allow her to purchase the car.

In December 2023 Ms C contacted MOL to discuss her desire to purchase the car at the end of the minimum hire period. However, MOL advised Ms C that this was no longer an option it offered, it being removed as an option in November 2023.

Unhappy with what she had been advised Ms C complained to MOL.

In January 2024 MOL issued Ms C a final response letter (“FRL”). Under cover of this FRL MOL said it was satisfied it had done nothing wrong in not allowing her to purchase the car at the end of the minimum hire period.

Following receipt of MOL’s FRL Ms C referred her complaint to our service.

Ms C’s complaint was considered by one of our investigators who came to the view that MOL had done nothing wrong in not allowing Ms C to purchase the car

Ms C didn’t agree with the investigator’s view so her complaint has been passed to me for review and 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.

What I need to decide in this case is whether the agreement was misrepresented to Ms C by MOL (or its agents) and/or whether there has been any breach of the agreement by MOL.

Now it isn't clear whether Ms C is saying she was advised by MOL (or its agents) before entering into the agreement that at the end of it she would be allowed to purchase the car, or whether she just assumed this would be the case. But the problem for Ms C is that notwithstanding it's very difficult for me to be able to say, with any certainty, what she might have been advised (if anything) by MOL (or its agents) before she entered into the agreement, she didn't 'contract' purely on such advice. She also entered into a 'written contract' (agreement).

I've reviewed the agreement and notwithstanding it's clearly headed 'hire agreement' and not 'hire purchase agreement', I'm satisfied that it makes clear that at the end of the hire period – whenever that might be – the car had to be returned to MOL. There is no right under the agreement for Ms C to be able to purchase the car.

I appreciate that up to very recently MOL would, more often than not, give the hirer (at the end of the agreement term) the option of purchasing the car. But MOL was never under any obligation to do so and was free to remove this 'concession' whenever it wanted, something that it ultimately did.

I note that Ms C submits that she didn't have sight of the agreement until after the car had been ordered. But in my view Ms C could have requested sight of MOL's hire agreement terms and conditions before placing her order. Also, based on what has been said and submitted, I'm satisfied that MOL provided everything it was required to provide Ms C and within regulatory timescales. But in any event, and again based on what both parties have said and submitted, I can't see what Ms C would have done differently had she been provided with the agreement terms sooner than she was.

I appreciate Ms C will be disappointed, but taking everything into account I'm satisfied, on the balance of probabilities, that the agreement wasn't misrepresented to her by MOL (or its agents) and there has been no breach of the agreement by MOL. And because of my view in this respect it follows that I'm also satisfied that MOL isn't responsible for the loss Ms C is claiming.

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 Ms C to accept or reject my decision before 1 May 2024.

Peter Cook
Ombudsman