

The complaint

Mr H has complained about the way Motability Operations Limited (MO) administered a hire agreement he'd taken out to acquire a car.

What happened

To summarise, Mr H entered into a hire agreement with MO in December 2022 to acquire a new car. The agreement required 39 rental instalments payable at four-week intervals. I understand this was paid via Mr H's mobility allowance.

MO said the car was seized by the police in November 2023 because Mr H was driving it on his own and he only had a provisional licence. It said this breached the terms and conditions Mr H accepted when he entered into the agreement. MO pointed out a clause in the agreement that said it could terminate the agreement if the car is seized, whether or not it's subsequently proved to be unlawful.

Mr H said the car was seized incorrectly because his nominated driver was in the car at the time of seizure. MO contacted the police and said the police told it Mr H was on his own and identified himself. MO decided to terminate the agreement and said due to the seriousness of the breach it would be unlikely to accept a request from him to re-join the scheme for at least five years.

Mr H decided to refer his complaint to the Financial Ombudsman to consider. One of our investigators looked into things but didn't uphold the complaint. She thought MO had fair grounds to terminate the agreement.

Mr H didn't agree with the assessment. He said he disputed the reasons the car was seized. As things weren't resolved, the complaint has been passed to me to decide.

I understand that MO has now arranged for Mr H's mobility allowance to be reinstated.

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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr H and MO that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr H acquired the car under a hire agreement. Our service is able to consider complaints relating to these sorts of regulated consumer hire agreements.

It's not in dispute the car was seized, and that there are terms in the hire agreement that allow MO to terminate the agreement for that reason. The terms say MO may terminate the agreement by providing the customer notice if at any time:

the Vehicle or Replacement Vehicle or any goods of yours are seized or threatened to be seized or made subject to a court order, whether or not it subsequently proves to have been unlawful;

If the car was clearly wrongfully seized there might be grounds to say MO's response was unreasonable on Mr H. I've reviewed the information Motability was supplied by the police. While I appreciate Mr H is disputing the circumstances around the seizure, I can understand why MO would have been concerned to be told its car was being driven by someone without a full licence without appropriate supervision. It's not unreasonable for MO to be worried the car was being used unlawfully. The police gave quite a detailed account of what it says took place, and that there were concerns with how the car was being driven, as well as specifying why the car was seized for driving otherwise in accordance with a licence. I appreciate Mr H doesn't agree with that, but based on the information the police supplied MO, I think it had reasonable grounds to terminate the agreement on that basis. MO arranged to reinstate Mr H's mobility allowance which I think was fair.

MO also said in its termination notice that it would be unlikely to accept Mr H as a customer for the next five years if he were to apply to re-join the scheme. This is in line with its own internal guidance for sanctions where the car is driven by an unaccompanied provisional licence holder. I don't think MO's explanations are unfair, or out of line with its own internal policy. However, MO has explained that if it's found the car was wrongfully seized by the police it would reconsider the sanction period accordingly. I think this is fair.

Therefore, while I'm sorry to hear about what happened I don't find I have the grounds to direct MO to take any further action.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 May 2024.

Simon Wingfield

Ombudsman