

The complaint

Mr S complains that Motability Operations Limited (“MO”) hasn’t paid him the compensation it said it would in its final response letter, following a complaint related to a car he acquired financed through a contract hire agreement.

What happened

In May 2023 Mr S acquired a car financed through a contract hire agreement with MO. In September Mr S informed MO the car had been involved in an accident. Mr S raised issues relating to the repairs to the vehicle with the insurance company. He also raised issues with MO relating to the hire cars he had been provided with while his contract vehicle was being repaired. A complaint was opened. MO made a payment to Mr S of £284 to compensate him for problems relating to the hire cars. In March 2024 the repairs to his vehicle were completed.

In its final response letter MO identified issues relating to the insurance company and courtesy vehicle. It said in addition to the ‘loss of use’ payment *“I have arranged for the payment of £1,000 to be issued to you as quickly as possible, in recognition of the experience you have had. If you have not received this payment within 14 days, please let me know.”*

In the next paragraph MO wrote *“I have arranged for the payment of £1,500 to be issued to you as quickly as possible, in recognition of the experience you have had. If you have not received this payment within 14 days, please let me know.”*

Mr S brought his complaint to this service. He said repairs done to the vehicle hadn’t been carried out with reasonable care and skill. And that additional damage found by the repairer likely occurred during transfer between different repairers. He said he’d been without his car for some months and the courtesy vehicles supplied hadn’t been roadworthy. Mr S said MO wouldn’t pay him the £1,500 it said it would pay him in the letter.

Our investigator concluded that the amount of £1,500 was written on the final response letter in error and that a payment of £1,000 was a fair way to resolve the complaint. Mr S didn’t agree and asked for a decision from an ombudsman.

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 realise this will come as a disappointment to Mr S but having done so I agree with the investigator’s conclusions for the reasons I’ve outlined below.

Mr S has subsequently raised new issues relating to the vehicle, following the final response letter from MO. These issues should be raised with MO so that it can investigate them before our service can respond.

Mr S acquired his car under a contract hire agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

I trust Mr S won't take it as a discourtesy that I've condensed the 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 the complaint. Although I've read and considered the whole file, including listening to phone calls provided, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it to reach the right outcome.

I can see that Mr S's car was involved in an accident and needed to be repaired through the insurance company, R. In the customer contact notes provided by MO Mr S sought help from MO in relation to the repairs being carried out by R. He wasn't happy with the repairs and would not collect the vehicle. A complaint was raised with R and Mr S asked that MO liaise with R. Even though MO explained to Mr S that this wasn't the process to follow it did liaise with R.

I've reviewed the notes and interactions between MO and Mr S. I'm satisfied it addressed each of Mr S's issues and concerns as they arose in a helpful and professional manner. This included assistance with swapping the courtesy hire car, it refunded a fuel charge of £38.88 that it wasn't liable for, it raised a new insurance claim on Mr S's behalf, it refunded payments (£284) due to loss of use of the vehicle, and paid Mr S's insurance excess on the additional claim. In addition to this it offered Mr S a good will payment of £1,000 during the complaint call.

In the contact notes I can see the complaint was closed with the comment that the customer was happy to accept the £1,000. In his complaint call to this service Mr S said he had accepted this offer but then subsequently saw the additional £1,500 on the final response letter.

I do understand Mr S when he says he should be paid the additional £1,500. It does say on the letter that he would receive this payment. But this is the only mention of the additional £1,500. It isn't mentioned in the call notes and Mr S hasn't said this was mentioned to him prior to receiving the letter. The wording on the letter indicates this was a typo as there are two identical sentences - one with £1,000 and one with £1,500 and I'm persuaded the second sentence was an error. I consider that if MO had intended to pay Mr S £2,500 it would likely have said this in once sentence.

I'm satisfied that MO has acted fairly and reasonably towards Mr S while the repairs were being carried out. Indeed I'm persuaded it went beyond what it needed to do both in actions and compensation. And I consider £1,000 compensation to be a generous award in the circumstances. So I won't be asking MO to do anything further in respect of this complaint.

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 S to accept or reject my decision before 25 October 2024.

Maxine Sutton
Ombudsman