

The complaint

Mrs S, who is represented by her husband, 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 December 2019 Mrs S entered into a hire agreement with 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 Mrs S paid for a number of extras to be fitted to it to suit her driving and disability needs.

In late 2023/early 2024 Mrs S contacted MOL to discuss her desire to purchase the car. However, MOL advised Mrs S that this was no longer an option it offered.

Unhappy with what she had been advised Mrs S complained to MOL.

In February 2024 MOL issued Mrs S 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.

Following receipt of MOL’s FRL Mrs S referred her complaint to our service.

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

Mrs S 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 Mrs S by MOL (or its agents) and/or whether there has been any breach of the agreement by MOL.

Mrs S said that on entering into the agreement she assumed that at the end of it she would be able to purchase the car from MOL, in part because it had allowed to purchase an earlier car that had been on hire to her.

Now I can understand why Mrs S might have made the assumption that she did, but she entered into a ‘written contract’ (agreement) with MOL.

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 Mrs S 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 Mrs S had extras fitted to the car before she took delivery of it, but these didn't form part of the agreement she entered into with MOL. Therefore I see no reason as to why MOL should have to compensate Mrs S for the fact that she is now in the position whereby she won't get the benefit of those extras for as long as she understood she would when she agreed to them being fitted.

I appreciate Mrs S 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 has done nothing wrong in refusing to allow Mrs S the 'right' to purchase the car.

For the avoidance of doubt I would like to make it clear that contrary to what Mrs S might believe it's not the case that our service doesn't have the power or authority to review her complaint it's just that having reviewed it I'm of the view that it shouldn't be upheld. I would also add that regardless of whether we have the power or authority to review a complaint, or whether a complaint has merit or not, businesses caught by our jurisdictions are obliged to refer consumers who have complained to our service.

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 Mrs S to accept or reject my decision before 29 July 2024.

Peter Cook
Ombudsman