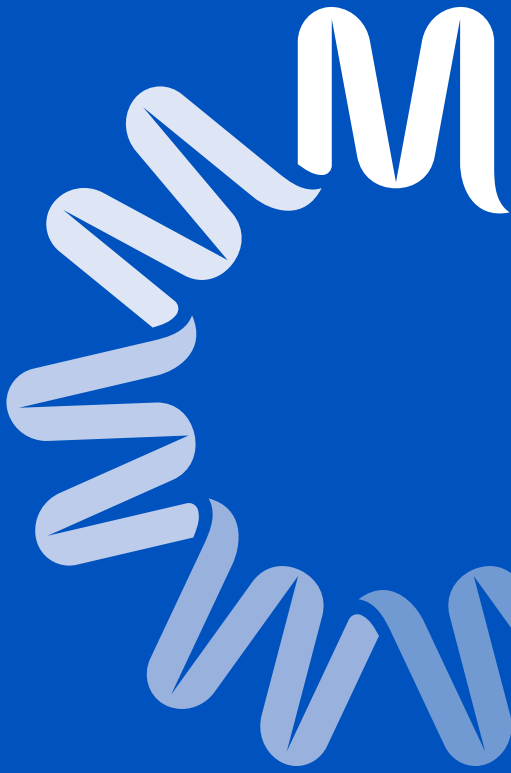
Motability Scheme

# Vehicle Contract Hire Agreement Terms and Conditions

For your Motability Scheme vehicle



**These are the terms and conditions on which we agree to lease the Scheme Vehicle to you and to provide the related services. Please read these terms carefully. These terms, together with the Pre-Contract Information, the Hire Agreement , the DriveSmart with the Motability Scheme terms and conditions (if applicable) and the Cover Booklet tell you:**

- more information about the finance product;
- who we are;
- how we will provide the Scheme Vehicle and related services to you;
- how you and we may change or end the contract;
- what to do if there is a problem; and
- other important information.

**If you have any questions about these terms (also available in different formats) or you need further information please contact us on 0300 456 4566 to discuss.**

# 1. Definitions

**This section sets out the meaning of key terms in these terms and conditions and helps to clarify your obligations set out in the terms that follow. If you have any questions or need any help understanding these, please contact us.**

In this Agreement:

1.1 "Accident Manager" means an agent chosen by us to represent us in relation to our responsibility for loss and damage to the Vehicle;

1.2 "Adaptations" means items which are needed to allow the Scheme Vehicle to be used by the Disabled Person and which have been fitted to the Scheme Vehicle with our approval;

1.3 "Agreement" means these terms and conditions and the Hire Agreement into which these terms and conditions are incorporated;

1.4 "Allowance" means:

- the higher rate mobility component of the Disability Living Allowance;
- the War Pensioners' Mobility Supplement;
- the enhanced rate mobility component of the Personal Independence Payment;
- the Armed Forces Independence Payment;
- the higher rate mobility component of the Child or Adult Disability Payment; or

any replacement allowance or supplement for any of the above allowances, payable under the provisions of the applicable legislation, and as set out in your Certificate of Entitlement issued by the relevant Payment Agency;

1.5 "Breakdown" means the Scheme Vehicle cannot be used or safely driven as a result of a mechanical or electrical failure, loss or damage;

1.6 "Breakdown Cover" means the roadside assistance services provided in the event of a Breakdown. Please see **motability.co.uk/get-support**;

1.7 "Breakdown Country Limits" means countries within the EU excluding Iceland, Northern Cyprus, Ceuta, Melilla and the Canary Islands;

1.8 "Certificate of Insurance" means the document given to you, in accordance with Clause 5, in respect of the Vehicle which proves that the insurance cover is in force as required by road traffic laws;

1.9 "Cover Booklet" means the cover booklet provided to you by us (or a person on our behalf) that sets out details of the arrangements that we and our insurer have put in place to provide protection for users of the Motability Contract Hire Scheme;

1.10 "Disabled Person" means the person specified as such in this Agreement or, if no person is specified, the Hirer;

1.11 "Drive Smart with the Motability Scheme terms and conditions" means the DriveSmart Telematics & App (DriveSmart App) or the DriveSmart fitted box Telematics (DriveSmart Fitted box) terms and conditions that apply if you are required to have a Bluetooth car windscreen wedge or fitted box installed or fitted in your Vehicle to meet the Driver eligibility criteria for you or any Driver to be named on the Certificate of Motor Insurance;

1.12 "Driver" means a person shown on the Certificate of Insurance as being entitled to drive the Vehicle and who has your permission to drive it;

1.13 "Excess" means the first £250 of our cost in repairing or making good that loss or damage to the Vehicle or £100 in the event that the windscreen, windows or glass sunroof are replaced, if there is loss of or damage to the Vehicle for which we are responsible. If the loss or damage occurs whilst the Vehicle is driven by or in the charge of a young driver the following excess will apply:
* ages 16 – 20 inclusive: £500
* ages 21 – 24 inclusive: £300.
The excess applies each time that loss or damage occurs to the Vehicle or the window, windscreen or glass sunroof is replaced;

1.14 "Excess Mileage Charge" means the charge you must pay if you exceed 10,000 miles per annum ("the Annual Mileage Allowance") for the Vehicle. For each mile in excess of the Annual Mileage Allowance you will pay £0.25 per mile (inclusive of VAT) ("the Excess Mileage Rate");

1.15 "Hire Agreement" means the terms set out at the start of this Agreement describing the basis upon which you lease the Scheme Vehicle from us as required under the **Consumer Credit Act 1974**;

1.16 "HMRC" means HM Revenue and Customs the United Kingdom's official tax, payments and customs authority;

1.17 "In-Car Equipment" means electronic information, communication or entertainment equipment. The equipment must be permanently fitted and supplied with the Scheme Vehicle as standard by the manufacturer or dealer. For the avoidance of doubt this does not include any optional extras you have purchased directly from the supplying dealer and any such optional extras shall be purchased under a separate legal contract that you will have with the supplying dealer;

1.18 "Key" means any device used for starting your Vehicle or using its locking mechanism or immobiliser;

1.19 "Motability Foundation" means the charity named Motability registered number 299745 whose

## 1. Definitions (continued)

registered office is at Warwick House, Roydon Road, Harlow, Essex CM19 5PX and its subsidiaries;

1.20 "Motability Contract Hire Scheme" means the Scheme operated by us (under contract to Motability) for the lease of Scheme vehicles to hirers;

1.21 "New to Scheme Driver" means a Customer or Driver who is joining the Motability Scheme for the first time;

1.22 "Payment Agency" means any of the following agencies:
- Department for Work and Pensions; or
- Veterans UK; or
- Social Security Agency in Northern Ireland; or
- Social Security Scotland; or

any such agency that may replace it;

1.23 "Policy" means the single motor insurance policy we have put in place with our insurer in respect of the Motability Contract Hire Scheme;

1.24 "Recorded Mileage" means the mileage of the Vehicle as determined by us acting reasonably, using (in order of priority): (a) data recorded by the Vehicle; (b) maintenance or service records (c) mileage readings provided by you; and (d) where such information is unavailable or incomplete, reasonable estimates based on the information available to us under this Agreement;

1.26 "Reward Payment" means the payment made by us to an approved Scheme dealer for introducing you to us and arranging this Agreement with us;

1.27 "Scheme Vehicle" means the vehicle specified on the first page of the Hire Agreement and includes Adaptations, any In-Car Equipment and tools which were supplied with the vehicle;

1.28 "Service Agent" means a dealer (or equivalent service provider) which provides vehicle servicing and maintenance services and which is accredited by us for the supply of such services at the date such servicing or maintenance of the Scheme Vehicle is undertaken;

1.29 "Telematics Device" refers to either the Bluetooth windscreen wedge or the black box installed in the Scheme Vehicle. Its purpose is to enhance trip detection and monitor driver behaviour and impact events. This includes, but is not limited to, tracking distance driven, frequency and intensity of braking, instances of excessive acceleration, speed, journey volume (to assess fatigue), and overall driving patterns at any given time;

1.30 "Telematics Installer" means a third party that is selected by us to provide the installation and maintenance services for any Telematics Device on a Scheme Vehicle;

1.31 "Territorial Limits" means Great Britain, Northern Ireland, the Channel Islands, the Isle of Man, and journeys between these places;

1.32 "Total Allowance or T/A" means the aggregate of the Allowance payable to the Hirer (or Disabled Person) in each Rental Period (being the period in which you lease the Scheme Vehicle);

1.33 "Total Mileage Allowance" means "Total Mileage Allowance" means the total number of miles you are permitted to drive the Vehicle over the full Duration of Hire, which is:
(a) 30,000 miles for a 36-month hire; or
(b) 50,000 miles for a 60-month hire,
or, where the Duration of Hire is different, such other total mileage allowance as we specify in this Agreement. Where this Agreement ends before the end of the Duration of Hire, the Total Mileage Allowance will be applied on a pro-rata basis

1.34 "Ultimate Territorial Limits" means Great Britain, Northern Ireland, the Channel Islands, the Isle of Man, any country which is a member of the European Union, Iceland, Liechtenstein, Norway and Switzerland. The Ultimate Territorial Limits also include journeys by water, rail or air between or within any of these countries, as long as the Vehicle is transported by a commercial carrier;

1.35 "VAT" means value added tax charged in accordance with applicable law;

1.36 "Vehicle" means the Scheme Vehicle or Replacement Vehicle; and

1.37 "We", "us" and "our" means Motability Operations Limited, unless otherwise indicated.

## 2. How this Agreement is formed and how to pay for your vehicle lease

**This section explains how the contract between you and us for the lease of the Scheme Vehicle will be made and how repayments work.**

**Note that if you have selected a vehicle which has a higher cost than your Allowance, you will be required to pay the difference in full as an upfront payment to the person providing the Scheme Vehicle (this is set out in your agreement as the "Total Advance Rental Payment"). The Total Advance Rental Payment is inclusive of VAT and payable upfront. This is not a deposit and is not refundable.**

**As is set out in your Agreement, we pay a Reward**

**Payment to our Service Agents to provide you with the Vehicle. This payment is made to the Service Agent upon completion of the Agreement and is for introducing you to us, for arranging this Agreement and for services provided during the course of your Agreement. By entering into the Agreement, you have consented to the Reward Payment to be made to the Service Agent by us.**

**It is really important you understand what you have to pay, why and when, so that you can assess the cost of the agreement and whether it is suitable for you. If you need help with this, contact us on 0300 456 4566.**

2.1 You will be provided with a copy of these **terms** and if applicable either the **Drive Smart Telematics & App terms and conditions** or the **Drive Smart Black Box Telematics terms and conditions** together with the **Pre-Contract Information** and **Product Information Guide** with our **Customer Acceptance Letter** confirming that your application to lease a vehicle on the Motability Contract Hire Scheme has been successful. You will also receive a copy of the Cover Booklet and Scheme Handbook before you enter into the Agreement.

The Customer Acceptance Letter will give you instructions about how to enter into the finance agreement with us for your chosen Scheme Vehicle, as well as providing your **Personal Identification Number ("PIN")** that will be used by you to prove you are entitled to receive the Scheme Vehicle you will be collecting. You can speak to your supplying dealer or you can contact us on **0300 456 4566** should you need more information about this.

**Instructions on how to sign your Agreement**

To "sign" your Agreement with us, you will need to be with your supplying dealer. You will need to insert your PIN into our system (as directed by your supplying dealer), and this will be used in the same way as if you had used a handwritten signature. **Note this Agreement is not finalised until you have inserted your PIN into our system at your local dealership.**

**Payments to be made**

The VAT treatment of payments under this Agreement is explained in the Pre-Contract Information.
In summary, Rental Instalments paid by diversion of your Allowance and any Advance Adaptation Rental Payment (where the adaptation qualifies for VAT relief) will not be subject to VAT where you qualify for VAT relief under applicable law.
Any other payments you are required to make under this Agreement that are not covered by your Allowance, including for example the Advance Rental Payment, excess mileage charges, fair usage charges and early termination fees will be subject to VAT at the standard rate applicable at the time the charge becomes due.

Where VAT relief has been applied based on information provided by you and it is later determined that the conditions for that relief were not met, we may recover from you any VAT and any associated interest and penalties awe are required to account for to HMRC as a result (if applicable).

The price payable by you to lease the Scheme Vehicle from us and to receive the related services will be as described in both the Pre-Contract Information and in your Customer Acceptance Letter and includes details of the Rental Instalments **(see Clause 2.2 below)**.
You will pay to the supplying dealer **on or before the day you sign** this Agreement (that is by entering the PIN into our system), the Total Advance Rental Payment (if any) and the Total Advance Adaptation Rental Payment (if any) less any contribution from the Motability Foundation made to you.

2.2 You will pay to us the Rental Instalments on the last day of each Rental Period. The Rental Instalments represent the amount payable by you for leasing the Scheme Vehicle from us. Unless otherwise specified, for so long as you are entitled to it, the Rental Instalments should be paid by diversion of your or (where applicable) the Disabled Person's Allowance by the relevant Payment Agency.

2.3 Where specified in this Agreement, and confirmed within the Pre-Contract Information, the Rental Instalments will vary automatically to reflect the amount of any increase or decrease in the Allowance but will not be less than the initial amount of the Rental Instalments specified in this Agreement. For the avoidance of doubt, you will not be liable to us for any further amounts to cover the Rental Instalments, and these variations are entirely dependent on the sums received from the relevant Payment Agency.

2.4 You will pay the Excess Mileage Charge during the term of the Agreement, at the end of the Hire Term or on earlier termination of this Agreement, if based on your Recorded Mileage and the Total Mileage Allowance (or, where applicable, the Annual Mileage Allowance), it reasonably appears that you have exceeded, or are likely to exceed, that allowance.

Any such amount will be a reasonable estimate calculated using the Excess Mileage Charge rate set out in this Agreement and the Recorded Mileage at the relevant time (and, where this Agreement ends early, a pro-rata proportion of the Total Mileage Allowance). We will notify you in advance of requiring any such payment, including how the amount has been calculated. We will not require you to pay more than the Excess Mileage Charge that would be payable based on your actual mileage at that time.

At the end of the Agreement, we will calculate the actual Excess Mileage Charge based on the total mileage. If the total amount you have paid is less than the actual charge, you must pay the difference; if you have overpaid, we will refund the excess.

2.5 You must ensure that all payments due to us under this Agreement are **made on time** and you must notify us if you or the Disabled Person (as the case may be) ceases to be entitled to receive or deal with the Allowance.

2.6 If you wish to discuss your payments for any reason, please contact us on **0300 456 4566**. You can contact us at any time during the lifetime of your Agreement and we shall also be in contact with you at regular intervals.

2.7 There are a range of other fees and costs which can be payable under this Agreement and these are set out within the Hire Agreement and these Terms and Conditions. These may include:

2.7.1 Excesses (**see Clause 1.11**);

2.7.2 administrative costs for return of the Scheme Vehicle (**see Clause 12.4.2**);

2.7.3 our reasonable costs and expenses if you break the Agreement and we have to recover the Scheme Vehicle or take other action (including our reasonable recovery and storage costs);

2.7.4 our reasonable costs where you end the agreement early (including where the Scheme Vehicle is not returned in the condition or with the associated items required under this Agreement) (see **Clauses 10 and 12**);

2.7.5 any other costs set out in the body of the Hire Agreement (**see Clauses 11 and 12**); and

2.7.6 any fees, charges, permits, licences, fines or other costs and charges payable to third parties in connection with your use of the Vehicle (**see Clause 3.9**).

## 3. Your use of the Vehicle

**This section covers your permitted use of the vehicle and our requirements in relation to permitted Drivers. Please note, you are responsible for certain costs and there are restrictions on taking the vehicle abroad.**

3.1 You must ensure that the Vehicle is used properly and only for the purpose for which it was designed. You must ensure that the Vehicle is not used for any unlawful or immoral purpose or in contravention of any legal requirement. The Vehicle may only be driven by Drivers and may only be used by or for the benefit of the Disabled Person. It is your responsibility to ensure that any Driver is aware of the restrictions around the use of the Vehicle.

3.2 We reserve the right to install or require you to install a Telematics Device to optimise trip detection, driver behaviour and impact detection, including but not limited to excessive acceleration and braking, volume of journeys to measure fatigue levels, speed of driving as well as distance, location and use of the Scheme Vehicle. Where we have concluded that a Telematics Device is required, we will notify you and you will be subject to the DriveSmart App or the DriveSmart Fitted box terms and conditions (as applicable), which terms and conditions shall form part of this Agreement. You shall if requested to do so, and on reasonable notice, deliver the Vehicle to a Telematics Installer selected by us, for the purposes of installing the Telematics Device. You must keep the Vehicle under your control and not part with possession of the Vehicle other than in the ordinary course of its intended use, nor sell, lease or lend the Vehicle or allow any other right to be created over the Vehicle. You must tell us as soon as possible, and in any event **within 5 working days**, if you or any Driver change address or change the place at which the Vehicle is kept.

3.3 To avoid abuse of the Motability Contract Hire Scheme, but subject always to **Clause 3.4**, we have strict qualification criteria for Drivers, which include the following:

3.3.1 each Driver **under the age of 21** must live with the Disabled Person; and

3.3.2 Drivers **under the age of 25** are only allowed to drive: (a) non-electric Vehicles in ABI Insurance Group 16 or lower and with a power output of 120BHP or less; and (b) electric Vehicles in ABI Insurance Group 21 or lower and with a power output of 140BHP or less; and

3.3.3 Drivers under the age of 30 years, New to Scheme Drivers, Drivers with multiple own damage incidents, Drivers whose use of the roadside recovery services is excessive or Drivers who have had multiple (8 or more) tyre replacements are

required to have a Telematics Device installed in the Vehicle and will be subject to the DriveSmart App or DriveSmart Fitted box terms and conditions; and

3.3.4 Drivers are required to hold a valid UK driving licence.

3.4 The criteria as set out in **Clause 3.3** above shall not apply in the event that we have expressly agreed otherwise.

3.5 At the time an application is made to make a person a Driver we will ask a series of questions to establish whether or not the person meets the qualification criteria. If a Driver does not meet the qualification criteria at any time (either because false information is given about the Driver or because his/her circumstances change or the Driver is in breach of the DriveSmart App or DriveSmart Fitted box conditions which means the Driver ceases to meet the qualification criteria) then this will have serious consequences for you and the Drivers (please read the rest of this Agreement for details). It is therefore important that you make each Driver aware of the significance of the qualification criteria and that you ensure that each Driver meets those criteria at all times during the term of this Agreement. We reserve the right to remove Drivers who do not meet the Driver qualification criteria at any time during the Hire Term. Please note that you are responsible to us for ensuring that Drivers do not give us false information and tell us of any relevant changes to their circumstances.

3.6 If you propose to modify or adapt the Vehicle, other than in accordance with our policy, you must obtain our written consent to do so. **No modification or adaptation of any kind may be carried out without our prior written consent.**

3.7 You must **not use, or permit anyone else to use, the Vehicle for business purposes** including, without limitation, as a taxi, mini-cab, a ride-hailing or ride sharing services, as a delivery vehicle or to advertise or promote goods and services, in connection with a motor trade or motor sport or in any way that would contravene or invalidate any term or condition of this Agreement or the Cover Booklet.

3.8 You must not take or permit anyone else to take the Vehicle outside the Territorial Limits or the Republic of Ireland **for more than 90 cumulative days in any 12 month period**, unless we have first agreed in writing, and you have complied in full with all conditions that we may impose in giving such consent, subject always to the fact that you may not take the Vehicle outside the Territorial Limits or the Republic of Ireland **for more than 12 months** under any circumstances. You must not take the Vehicle outside the Ultimate Territorial Limits for any period of time.

3.9 If you wish to take the Vehicle abroad, you will need to obtain a VE103 or equivalent document from the RAC or such other provider as we may approve from time to time. You are responsible for arranging this directly with the RAC and for paying all associated fees (if applicable) to them. Such fees are currently £22. We do not supply or charge for such documentation. If you take the Vehicle abroad without such documentation, you will be in breach of this agreement and will be responsible for all resulting losses, costs, charges and expenses incurred by us or the Vehicle owner (including any fines, penalties, recovery, storage or repatriation costs).

3.10 We may determine the Recorded Mileage by using any mileage information reasonably available to us, including but not limited to, mileage readings you provide, vehicle data, data obtained from maintenance and service records, MOT records, telematics data and any other reliable source of mileage information. We may also require you to provide an accurate mileage reading for the Vehicle. We will give you reasonable notice of any such request and the method by which you should provide the reading, and you must provide it within the reasonable time period we specify. You must ensure that any mileage reading you provide is complete, accurate and not misleading. If you knowingly provide false or misleading information, this will be a breach of this Agreement. In such circumstances, we may rely on alternative sources of mileage data (including vehicle data) or make a reasonable estimate of the mileage for the purposes of determining the Recorded Mileage under this Agreement. We will adjust any estimate once an actual reading is provided.

3.11 You will be **responsible for the payment of all fees** including any licence fees (except for road fund licences for Replacement Vehicles or for any Vehicle where you have an exemption certificate), parking charges, fines, congestion charges and other outgoings in respect of the Vehicle. You will also be responsible for any unpaid charges incurred through your use of the Go with the Motability Scheme App, including where a payment fails for an EV charging session or related service. We reserve the right to recover any such unpaid amounts from you and to set off any sums you owe us.

## 4. Responsibility for Vehicle loss and damage and your insurance benefits

**This section describes our responsibility for Vehicle loss and damage. Please note that you will be responsible for Vehicle loss and damage that is not our responsibility.**

4.1 We are responsible for Vehicle loss and damage on the basis, and subject to the terms and conditions, set out in the Cover Booklet. Please refer to the Cover Booklet for full details. You agree to comply with, and be bound by, the terms and conditions of the Cover Booklet.

4.2 You are responsible for any loss and damage to the Vehicle that is not our responsibility.

4.3 Where we are not responsible for the repair of any loss or damage to the Vehicle, but the Vehicle has been repaired we reserve the right to charge you for the costs of such repairs.

## 5. Insurance benefits

**This section describes the single motor insurance policy we have put in place for the Motability Contract Hire Scheme and the benefits the policy provides to users of the Motability Contract Hire Scheme, in their capacity as beneficiaries under the policy.**

5.1 The Policy is designed to protect us, whilst also providing certain valuable benefits for users of the Motability Contract Hire Scheme. These insurance benefits include third party liability cover, legal expenses cover and personal accident cover and are described in full in the Cover Booklet.

5.2 Only we, as the sole policyholder, have contractual rights under the Policy to enforce the insurance cover that is provided under the Policy. You are a beneficiary under the Policy and do not have any contractual rights to enforce the insurance provided under the Policy against our insurer. Instead, you rely on us to do this on your behalf, which we will do to the extent we reasonably can. Full details about how the insurance works can be found in the Cover Booklet.

5.3 Please note that the way the insurance works does not affect your statutory rights under the Road Traffic Act 1988. You will be provided with a Certificate of Insurance as proof of cover.

5.4 To help ensure that the Policy properly protects us and provides you with the intended insurance benefits, you must co-operate fully with our insurer and provide any information reasonably requested by them. You must also comply with the terms and conditions of the Cover Booklet at all times.

5.5 We reserve the right to withdraw insurance cover for the Driver or Named Driver if your driving behaviour, as assessed through data collected via Drive Smart and the Telematics Device, fails to meet our required standards, including receiving two consecutive red weekly scores, or four red scores within a 12 month rolling period, under the RAG (Red-Amber-Green) system, if applicable.

## 6. Loss of Use

**This section describes when we will make a refund to you following a Breakdown of the Scheme Vehicle.**

6.1 Following a Breakdown of the Scheme Vehicle within the Territorial Limits or the Republic of Ireland, we will (subject to the limits in this **Clause 6**) refund to you those parts of the Rental Instalments which were paid to us and relate to the period when the Scheme Vehicle was subject to that Breakdown (i.e., to refund you for the time you were unable to use the Scheme Vehicle), except that:

6.1.1 we will not make any refund in respect of the first week immediately following the date of discovery of the Breakdown;

6.1.2 we will not make any refund in respect of any period when you have been supplied with a Replacement Vehicle; or continuous mobility according to **Clause 7.3** below; and

6.1.3 we will not make any refund in respect of any period after the termination of this Agreement.

6.2 We will not make any refund of Rental Instalments for a Breakdown which happens:

6.2.1 because of deliberate damage, neglect or misuse of the Scheme Vehicle;

6.2.2 because of the fitting of any modifications, replacement or experimental parts which the manufacturer does not approve of;
6.2.3 because of freak weather conditions or frost damage (unless adequate precautions are taken);
6.2.4 because of or during use of the Scheme Vehicle outside of the Territorial Limits or the Republic of Ireland; or
6.2.5 because of or in connection with any event, situation or described in **Part 2 or Part 4 of the Cover Booklet** where we are not responsible for Vehicle loss or damage.
6.3 If a refund is payable, we will make one refund payment at the end of the period of the Breakdown, unless we agree otherwise.

## 7. Breakdown Assistance (Roadside Services)

**This section describes the breakdown cover we provide as part of your hire agreement, subject to the applicable fair usage policy. Full details of the cover, how to access it and the fair usage policy are available by contacting us or by visiting our website motability.co.uk/fairusage**

7.1 Subject to the exceptions set out in this **Clause 7**, we will, throughout the duration of this Agreement, provide Breakdown Cover via a third party provider.
7.2 The Breakdown Cover is limited to providing breakdown assistance in the event that the Vehicle cannot be used safely as a result of a mechanical, electronic, computer or electrical failure and is subject to fair and reasonable usage and subject to the Vehicle having broken down within the Breakdown Country Limits. If fair and reasonable usage of the service is breached, according to **Clause 3.3.5** above, we have the right to install a Telematics Device in the Scheme Vehicle.
7.3 As part of the breakdown assistance set out in this Agreement, you may be provided with an alternative method of transportation on a temporary basis, including but not limited to a taxi, to support your continuous mobility needs. For the avoidance of doubt, the type of continuous mobility and the length of time it is provided for will be at our discretion.
7.4 You will be responsible for the costs of any breakdown that falls outside of the terms and conditions set out in **Clause 7.2** above. If the Vehicle has been repaired by us at your request we will charge you the reasonable costs of such repair. VAT will be added where chargeable.

## 8. Condition, Maintenance and Repairs

**This section sets out your obligations to maintain the vehicle. Where you fail to do this, you could be responsible for any additional costs that result. In serious cases, we may also end the agreement (see section 11 below).**

**As part of your package we arrange servicing, maintenance and repair, but you need to take the vehicle to the appointments. We also arrange replacement of tyres where necessary due to fair wear and tear (see motability.co.uk/fair usage) or accidental damage, subject to the limits set out in clause 8.5 below.**

8.1 You must keep the Vehicle in good condition (allowing for fair wear and tear). Fair wear and tear has its ordinary and natural meaning. Useful information on wear and tear can be found in the Scheme Handbook.
8.2 You must repair any damage and make good any loss relating to the Vehicle that is not our responsibility under the Cover Booklet. If the Vehicle has been repaired we reserve the right to charge you for the costs of such repair. You must also observe all reasonable recommendations regarding care and maintenance of the Vehicle by the manufacturer of the Vehicle and where the Vehicle is an electric vehicle, this will include, but will not be limited to, care and maintenance of the Vehicle's battery.
8.3 If you fail to keep the Vehicle in good condition (allowing for fair wear and tear) you will be **responsible to us for the costs incurred in repairing the damage** to the Vehicle and/or restoring the Vehicle to a good condition. VAT will be added where chargeable. The condition of the Vehicle will be determined by us on receipt of the Vehicle condition information, provided by the Service Agent or other such party instructed by us to inspect the Vehicle.

8.4 You must also make sure that the Scheme Vehicle and any Telematics Device (if applicable) is regularly maintained (and mechanically repaired if appropriate) and serviced by a Service Agent and/or Telematics Installer and take the Scheme Vehicle to a Service Agent and/or Telematics Installer at such times as may be recommended either by us or by the manufacturer of the Scheme Vehicle or the Telematics Device. The Service Agent and/or the Telematics Installer will carry out routine maintenance work (excluding modification or work as a result of damage which is not fair wear and tear) and will service the Scheme Vehicle or Telematics Device as recommended by the manufacturer. You will not have to make any additional payment for this routine work.

8.5 During the Agreement, we will replace or arrange for the replacement of tyres where replacement is required due to fair wear and tear or accidental damage, in accordance with the tyre replacement limits set out in our Fair Usage Policy as published from time to time. If the number of tyre replacements provided during the Agreement exceeds the limits set out in that Fair Usage Policy, we may charge you for any additional tyre replacements. We may refuse to replace tyres where, acting reasonably, we consider that the damage has been caused by misuse, neglect or a failure to take reasonable care of the Vehicle.
If a Driver exceeds fair and reasonable use of this service, as set out in the Fair Usage Policy within a single lease, as outlined in Clause 3.3.5 above, we reserve the right to install a Telematics Device in the Scheme Vehicle.

8.6 Where you arrange for a tyre to be replaced, you must ensure that the replacement tyre:
(i) Meets the Vehicle manufacturer's specification and recommendation; and
(ii) Complies with the applicable legal and safety requirements; and
(iii) Is of a type and quality appropriate for the Vehicle.
We may require you to replace any tyre that does not meet these requirements and may charge you for doing so.

8.7 If requested to do so by us, and on reasonable notice, you will deliver the Vehicle to a Service Agent selected by us, for inspection or for the purpose of carrying out a Ministry of Transport ("MOT") test (or such equivalent required test). Alternatively, you will allow us or our selected Service Agent access to your premises to inspect the Vehicle at all reasonable times. The cost of carrying out the MOT test and any routine maintenance will be met by us, subject to the terms of this Agreement.

8.8 Any **mechanical repairs, maintenance or replacements** not covered under **Clauses 8.2, 8.3 and 8.4** above and any Vehicle loss or damage for which we are not responsible under the Cover Booklet will **be at your expense**. At your request we will carry out the repairs and charge you for the reasonable costs incurred. VAT will be added where chargeable. If you want a third party other than a Service Agent to carry out such work on or any repair to the Vehicle, you should ensure that this third party contacts us first for quality accreditation before the work is undertaken.

## 9. How we are responsible to you

**This section sets out our responsibilities to you and provides a basic overview of your rights in connection with the vehicle. If you wish to find out more about your statutory rights, there is information about how you can get further independent information from Citizens Advice below.**

**For more general information about our obligations and how we support you, you can visit our website at motability.co.uk/get-support.**

9.1 If we fail to comply with this Agreement, we will be responsible for loss or damage you suffer that is a foreseeable result of us breaking this Agreement or our failing to use reasonable care and skill when providing services to you including the Breakdown Cover. Loss or damage is foreseeable if either it is obvious that it will happen or if, at the time we entered into this Agreement, both parties knew it might happen, for example, if you discussed it with us during the application process. This includes liability for death and personal injury caused by our negligence, or the negligence of our employees, agents or subcontractors, or fraud or fraudulent misrepresentation, or for breach of your legal rights in relation to the Vehicle.

9.2 Whilst you have chosen the Scheme Vehicle and the Scheme Vehicle has not been inspected by us, we are nevertheless under a legal duty to supply

you with a vehicle that is in conformity with this Agreement. Nothing in these terms will affect your legal rights and remedies. In summary, your rights include, but are not limited to, the right to receive products which are as they are described; of satisfactory quality and fit for a particular purpose. For detailed information about your legal rights and remedies please contact the **Citizens Advice at citizensadvice.org.uk**. You are also entitled to the benefit of all conditions, warranties or other terms relating to the Scheme Vehicle given to us by the manufacturer or supplier to the extent that we can give them to you. This is in addition to our responsibility for loss of or damage to the Scheme Vehicle in the event that the Scheme Vehicle is lost or damaged as a result of an accident, as detailed in the Cover Booklet. If you wish to exercise your legal rights in connection with the Scheme Vehicle, please contact us on **0300 456 4566** as soon as possible.

## 10. Hire Term and Return of the Scheme Vehicle at the end of the Hire Agreement

**This section explains the duration of the agreement and how it may be terminated at the end of the Minimum Hire Period. If you need assistance in understanding our rights and your rights to end this agreement, please get in touch.**

10.1 You are only entitled to use the Scheme Vehicle for the Hire Term as specified on the front of the Agreement. The Hire Term shall continue automatically following the end of the Minimum Hire Term referred to in this Agreement unless either you or we have served **not less than 60 days' written notice** on the other to terminate this Agreement on the last day of that Minimum Hire Term. If no such notice is served, this Agreement shall, subject to the provisions of **Clauses 11 and 12**, terminate upon expiry of the Maximum Hire Term.

10.2 You must promptly return the Scheme Vehicle and any Adaptations to whom we direct at the end of the Hire Term. You must return the Vehicle with all keys, accessories and items supplied with it. If any such items are missing, we may charge you the reasonable cost of replacing them. This may include (without limitation) keys, locking wheel nuts, charging cables, parcel shelves, handbooks and any other accessories supplied with the Vehicle and, where applicable, a current MOT test certificate.

## 11. When we may end this Agreement

**This section sets out where the hire agreement may be ended by us because of your breach of the terms of this agreement (which can include changes in your eligibility) or the end of the minimum Hire Term.**

**It is really important you understand your obligations under this hire agreement and you fulfil them. Where we end the agreement in some circumstances there may be additional costs you are responsible for, which are also set out below.**

11.1 We may terminate this Agreement by providing you with **written notice** if at any time:

11.1.1 you do not comply with any of your main obligations under this Agreement, or if you or any Driver have given to us, the Accident Manager or our insurer information which is materially misleading or false; or

11.1.2 you or any Driver do not meet the Driver eligibility criteria at any time during the Hire Term and you do not have any alternate Driver(s);

11.1.3 you or the Disabled Person (as the case may be) cease to be entitled to receive or deal with an Allowance or if the relevant Payment Agency does not pay such Allowance to us except where it is our fault; or

11.1.4 a petition for a bankruptcy order against you is presented to the court, or a bankruptcy order is made against you; or

11.1.5 we consider that you are insolvent or you enter or attempt to enter into any form of arrangement or composition with your creditors or you suffer any judgment to be made against you; or

11.1.6 the 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; or

11.1.7 the Scheme Vehicle is lost, stolen, destroyed, or if we or our claims agent determine that it is not

economic to repair any damage.

11.2 In order to terminate this Agreement under **Clause 11.1**, we will give you **not less than 14 days' written notice** and, in the case of a default by you in the performance of your obligations, during that period, you will have the opportunity to remedy the default.

11.3 At any time after the end of the Minimum Hire Term, we may terminate this Agreement by giving you **not less than 14 days' written notice**.

11.4 Any termination shall not affect our respective rights under this Agreement prior to termination, nor our respective obligations, which are intended to continue after such termination.

11.5 If we terminate this Agreement because you are in breach of any of your main obligations, then:

11.5.1 you will no longer have permission to keep possession of the Vehicle without our permission;

11.5.2 we will be entitled to take back the Vehicle;

11.5.3 you must use reasonable efforts to return the Vehicle to a place directed by us as soon as possible at your own expense together with, where applicable, the Certificate of Insurance, all Keys, charging cable(s), the handbook, the service record book and, where applicable, the current MOT test certificate in respect of the Scheme Vehicle – where you fail to return the Vehicle with these items we may pass on the reasonable costs we incur in replacing them to you;

11.5.4 you will still be required to pay any amounts which have become payable to us at the date of termination but which have not been paid and we reserve the right to set off any amounts you owe us under this Agreement against any sums we may owe to you, including any refunds or other payments due to you on or following termination; and

11.5.5 you will also be responsible for any reasonable costs and expenses incurred by us in relation to recovery and, pending any sale of the Scheme Vehicle, storage of the Scheme Vehicle, including, but not limited to, solicitor's fees, agent's fees and towing and storage charges.

11.6 If we take back the Vehicle and it contains property owned by you or someone else we will write to you. You must then collect it within 21 days of the date of the letter, or such longer period we may agree with you. If you do not do this we may destroy this property. You will be responsible for any claim made against us by the owner.

## 12. When you may end this Agreement

**This section sets out your rights to end the agreement where we have broken its terms. You may have other termination rights in addition to the below, see your agreement for details.**

**It also explains what fees, costs and charges you may be responsible for when you end the agreement.**

12.1 In addition to any right you have to terminate this agreement under the Consumer Credit Act (which will be set out in the agreement where it applies), you may terminate this Agreement if:

12.1.1 at any time we are in default of any of our main obligations under this Agreement; or

12.1.2 you or the Disabled Person (as the case may be) cease to be entitled to receive or deal with an Allowance; or

12.1.3 you request that this Agreement be terminated and we (in our sole discretion) agree to such termination either in writing or verbally.

12.2 In order to terminate this Agreement under **Clause 12.1** you will give us **not less than 14 days' written notice** and, in the case of default by us in the performance of our obligations, we will have the opportunity to remedy the default.

12.3 At any time after the end of the Minimum Hire Term referred to in this Agreement, you may terminate this Agreement by giving us **not less than 14 days' written notice**.

12.4 In the event of termination by you:

12.4.1 you must return the Vehicle to a place directed by us which is within a reasonable distance of the dealer from whom you collected the Vehicle, together with where applicable the Certificate of Insurance, all Keys, charging cable(s), the handbook, the service record book and, where applicable, the current "MOT" test certificate in respect of the Scheme Vehicle – where you fail to return the Vehicle with these items we may pass on the reasonable costs we incur in replacing them to you;

12.4.2 you must pay to us an administration fee of **£300.00 inclusive of VAT**;

12.4.3 you must pay to us any amounts due under this Agreement, together with any applicable VAT (including, but not limited to), the following amounts (where these have been incurred and are payable):
(a) any Excess Mileage Payment;
(b) any unpaid Excess; and
(c) any amounts in respect of repairs to the Vehicle and reinstating the Scheme Vehicle following modifications or adaptations);

12.4.4 you will continue to be responsible in respect of Rental Instalments until the termination date and to pay to us any other amounts which have become

payable to us at the date of termination but which have not been paid. We also reserve the right to set off any amounts you owe us under this Agreement against any sums we may owe to you, including any refunds or other payments due to you on or following termination; and

12.4.5 pending any sale of the Scheme Vehicle, you will be responsible for and pay to us any reasonable costs and expenses incurred by us in respect of the storage of the Scheme Vehicle. VAT will be added where chargeable. We may, at our discretion, waive the payment of all or part of the sum due in appropriate circumstances.

## 13. Your responsibility for interest and likely costs

**This section explains that where amounts you owe under this agreement are not paid on time and go overdue, we may charge you interest on those amounts until they are paid. It sets out how the interest rate is calculated and how you can validate it.**

13.1 If any sum payable under this Agreement is not paid by its due date, we may require you to pay us interest at the rate of **2 percent per annum above the base lending rate of HSBC Bank plc** (as time to time published) accruing daily from the date for payment until the payment is received by us, whether before or after any judgment which may be awarded against you.

## 14. Your responsibility to us

**This section sets out our expected standards of conduct and the consequences if you abuse our employees, representatives of scheme partners.**

**It also explains that if someone brings a legal claim against us, for something caused by you as a result of you not complying with the terms of this agreement, you will be responsible for any associated expenses and losses we may suffer as a result.**

14.1 You are responsible for ensuring that you engage with us and our Scheme Partners in a reasonable and courteous manner at all times. We operate a policy of zero tolerance of abuse towards our employees or the employees or contractors of our Scheme Partners and **reserve the right to withdraw the services and terminate this Agreement if in our sole discretion your conduct falls below what a reasonable person would believe to be reasonable and courteous**.

14.2 **You are responsible for any claims made against us and all damages and reasonable costs and expenses suffered or incurred by us as a result of any default by you in the performance of your obligations under this Agreement** or as a result of a third party claim arising out of the state, condition or use of the Vehicle unless it was our fault.

## 15. Use of your personal information

**This section describes how your, the Disabled Person and Drivers' personal information will be used in connection with this Agreement. Please inform these people that their personal information will be used and let them know where they can find full details about how their information will be used, as set out below.**

15.1 We and the Motability Foundation will process personal information about you, the Disabled Person (if you are not the Disabled Person) and Drivers in connection with this Agreement.

15.2 Full details about how we collect, process and share personal information can be found at **motability.co.uk/utilities/privacy-notice**

15.3 Full details about how the Motability Foundation collects, processes and shares personal information is set out in the Motability Privacy Notice that is provided as part of our Customer Acceptance Letter.

15.4 Where the DriveSmart App or the DriveSmart Fitted box apply in addition to these terms, full details about how we collect, process and share personal data can be found at **motability.co.uk/utilities/privacy-notice**

15.5 We will also share, as necessary, personal information about you, the Disabled Person (if you are not the Disabled Person) and Drivers with our Scheme Partners in connection with this Agreement. Many of our Scheme Partners, including the insurer of the Policy, will act as controllers when processing that personal information. Full details about how our insurer collects, processes and shares personal information in connection with the Policy can be found at **u-k-insurance.co.uk/directline-motability.html**

## 16. Other important terms

**This section includes other important terms, including about changing address, our rights to relax the agreement, appoint people to represent us and to transfer the agreement to someone else. It also sets out the law applicable to the contract and which courts can hear a dispute about it.**

16.1 You must promptly notify us, our insurer and the relevant Payment Agency if you or (where applicable) the Disabled Person changes address.

16.2 If we do not insist immediately that you do anything you are required to do under this Agreement, or if we delay in taking steps against you in respect of your breaking of this Agreement, that will not mean that you do not have to do those things and it will not prevent us taking steps against you at a later date. For example, if you miss a payment and we do not chase you but we continue to provide the Scheme Vehicle, we can still require you to make the payment at a later date.

16.3 We may nominate any person as our agent for any purpose in respect of our rights and obligations under this Agreement but this will not affect our responsibility to you.

16.4 We may transfer our rights and obligations under this Agreement to another organisation. This will not affect your rights under the Agreement.

16.5 This Agreement is between you and us, and no other person(s), other than the Disabled Person (if different to the Hirer) will have any rights to enforce any of its terms.

16.6 This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

## 17. Complaints

**This section provides details of how you can raise a complaint with us and your rights if this is not resolved to your satisfaction within 8 weeks of the date of your complaint.**

17.1 If you have a complaint about this Agreement or the Vehicle, you can contact us on **0300 456 4566, by post to our registered address or via our web messanger at motability.co.uk/getsupport**.

17.2 If you are not happy with how we have handled any complaint, you may want to contact the alternative dispute provider we use. Alternative dispute resolution is a process where an independent body considers the facts of a dispute and seeks to resolve it, without you having to attend court. Please let us know on the contact details provided above if this is something you wish to consider further. We can then provide you with the details.

17.3 Where you remain dissatisfied with the outcome of a complaint made to us or 8 weeks has elapsed since the date of your complaint, you have the right to refer such complaint to the **Financial Ombudsman Service (the "FOS") at Exchange Tower London E14 9SR or telephone them on 020 7964 1000 or email complaint.info@financial-ombudsman.org.uk**. The FOS's website address is **financial-ombudsman.org.uk**.

## 18. How we are regulated

**This section sets out how we are authorised and regulated. You can find out more about the Financial Conduct Authority at FCA.org.uk and you can view our details on the FCA register at register.FCA.org.uk**

18.1 Motability Operations Limited is authorised and regulated by the Financial Conduct Authority with registration number 735390. The Financial Conduct Authority is located at 12 Endeavour Square, London E20 1JN and is the supervisory authority of consumer hire agreements

For more information visit **motability.co.uk**

Published by Motability Operations Limited

Registered Office: 22 Bishopsgate, 6th Floor, London EC2N 4BQ.
Registered in England and Wales Company No. 1373876

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the Financial Conduct Authority