

**Mobility and Access Committee for  
Scotland (MACS)**

Area 2F North, Victoria Quay  
Edinburgh EH6 6QQ

Charles Manby MBE  
Chairman, Motability Operations



Date:  
2 February 2023

Dear Mr Manby

**MOTABILITY PROFITS**

As you may be aware, the Mobility and Access Committee for Scotland (MACS) is a statutory non departmental public body advising Ministers in Scotland on all aspects of transport and disability. All members are appointed by the Minister for Transport.

MACS acknowledges that the Motability scheme provides a vital service to thousands of disabled people in Scotland. However, we have had grave concerns over the level of profits generated by Motability Operations over a number of years. These concerns have been further highlighted to us by a large number of Motability customers in Scotland and have deepened further in the light of your most recent Annual Report which showed a profit of £922.9 million, in addition to another donation to the Motability charity of £200 million.

Furthermore, ministers in both the UK and Scottish governments have recently agreed inflationary increase of 10.1% to disability benefits. This increase was clearly intended to protect disabled people from some of the effects of the cost of living crisis, but Motability customers will not benefit from this increase; rather it will generate a further windfall to Motability Operations.

We note, and welcome, recent statements that Motability Operations now 'accepts the principle that excess profits should be returned to customers' as we have consistently advocated. As such, we similarly welcome the introduction of a 'new vehicle payment', of £750 in the spring of 2023, although this being a "one off" payment is not so welcome.

However, with surpluses from the scheme rising to well over a billion pounds in the last financial year (including the Motability donation), these measures to return profits to customers do not go nearly far enough.

We have also had concerns raised with us that at the same time as the new car payment in being introduced, the good condition payment is being cut from £600 to £250. Many customers are struggling to fund the rising advance vehicle pavements and lease costs are significantly higher than needed for the scheme to break even.

We do not accept that there is any need for the Motability charity to receive further donations from Motability Operations. According to the Charity Commission website, Motability is now the 7th largest charity in the UK in terms of investments, far ahead of major charities such as Cancer Research UK, Save the Children or Oxfam.

The £200 million donation to the charity in the last financial year alone represents more than £300 per Motability customer: a donation which those customers have had no say in approving.

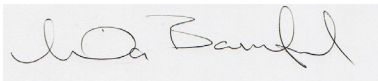
In our view, this situation is not only grossly unfair, especially in the light of the deepening 'cost of living crisis', but it also puts the scheme itself at risk. The exemptions from VAT and Insurance Premium Tax supported by politicians and the public alike over the past 40 years are clearly intended to benefit the disabled customer, not to generate excess surpluses for the service provider. The long term future of the scheme cannot continue on the current basis.

Similarly the 10.1% uplift in disability benefits is intended to help disabled people with their living costs at such a difficult time, not to add further to Motability profits.

We would therefore like to formally ask Motability Operations to forego most or all of this uplift, so that the disabled person can themselves benefit from the increase, as ministers in both Scotland and Westminster no doubt intended. I would also like to ask that you copy this letter to all members of Motability Operations' board.

We urge you to fundamentally reconsider your financial and business model, with the specific aim of maintaining adequate reserves but generating zero profit in the coming year - and in future years. We would be very willing to engage constructively with you in exploring how this could best be achieved.

Yours sincerely,



Linda Bamford  
National Convener  
**Mobility and Access for Scotland (MACS)**

CC:

Andrew Miller, CEO Motability Operations

Barry Le Grys, CEO Motability

Ben Macpherson MSP

Chair, Poverty and Inequality Commission

Chair, Treasury Select Committee, Westminster

Chair, Pensions and Benefits Select Committee, Westminster

David George, Scottish Government, Social Security Directorate

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