

Mr John Barilaro, MP  
Chair  
Select Committee on the Motor Vehicle Repair Industry  
Parliament of NSW  
Macquarie Street Sydney NSW 2000

By email: [motorvehiclerepairinquiry@parliament.nsw.gov.au](mailto:motorvehiclerepairinquiry@parliament.nsw.gov.au)

2 April 2014

Dear Mr Barilaro

### **INQUIRY INTO THE MOTOR VEHICLE REPAIR INDUSTRY**

Thank you for the opportunity to appear at the Inquiry into the Motor Vehicle Repair Industry on 17 March 2014. I have reviewed the transcript of my oral evidence and advise that I have made amendments to the Hansard record in the attached copy.

I have sought the ICA's members' views prior to providing you with a response to the question taken on notice on the 17 March 2014.

The question taken on notice is as follows:

**CHAIR:** *If the car is repaired under an insurance policy that gives choice, I take my car to J Bloggs Smash Repairs, do I still get a warranty?*

**Mr WHELAN:** *In most cases I think you still do, yes, as far as I am aware.*

**CHAIR:** *If I take my car because there are problems from the original repairer for rectification to a third party, does that warranty still continue on?*

**Mr WHELAN:** *That I am not sure about, I would have to take that on notice.*

ICA response:

The ICA is unable to comment on the particular provisions in our members' Product Disclosure Statements in relation to warranties provided throughout the repair process. You may wish to contact individual members in relation to particular practices. As noted in our submission (No. 48, p12):

*Many motor insurance companies offer consumers various options in relation to their input into the decision to choose the repairer. In the ICA's view consumers should insure with the company that offers them the level of choice that best suits their requirements.*

We can however point to the obligations of all of our members under the General Insurance Code of Practice (Code) in relation to the quality of repairs in motor vehicle (and other insurance) claims. Clause 3.14 of the Code provides:

*Where we have selected and directly authorised a repairer; we will:*

- a) accept responsibility for the quality of workmanship and materials;*

- b) *Handle any complaint about the quality or timeliness of the work or conduct of the repairers as part of our complaints handling process.*

This is an obligation our members take very seriously as a breach of the Code impacts on their reputation in the marketplace.

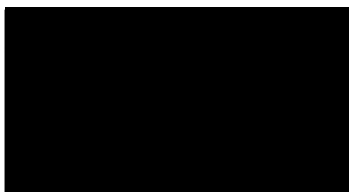
We strongly refute any suggestions that our members are not complying with their obligations. As stated by the Financial Ombudsman Service (FOS) in its submission (No. 72, p3), published after the public hearing:

*From our records and knowledge of disputes, we have not identified any trend, such as an increase, in disputes relating to the quality of motor vehicle repairs. We receive disputes of this type from time to time. However, the number of these disputes has remained small when viewed as a proportion of total motor vehicle claims lodged or total motor vehicle repairs carried out by the insurance industry.*

I would urge the Committee to give due weight to the independent evidence of FOS and the Commissioner for Fair Trading, on the current state of the smash repair industry in NSW.

If you have any questions or comments, please do not hesitate to contact Vicki Mullen, General Manager Consumer Relations and Market Development on (02) 9253 5120 or [vmullen@insurancecouncil.com.au](mailto:vmullen@insurancecouncil.com.au).

Yours sincerely



Robert Whelan  
Executive Director & CEO