

MOTOR VEHICLE REPAIR INDUSTRY

Name:

████████████████████

Date Received:

██████████

Partially Confidential

I would like to submit the following for consideration to the Motor vehicle repair industry inquiry committee:

(a) Smash repair work and whether it is being carried out to adequate safety and quality standards;

In late 2013 I was involved in an at fault motor vehicle collision which caused significant damage to my vehicle [REDACTED]. At the request of my insurance provider [REDACTED], I drove my vehicle to the [REDACTED] Repair Centre. I was advised that repairs required were too big to be completed there and, as the vehicle was unsafe to drive, it would be towed to their assessment centre. As per my PDS two of their preferred repairers tendered quotes to repair the vehicle and the vehicle was towed to the workshop of the operator with the winning quote.

After repairs were completed and the car returned to me, I took it to my dealership for inspection as I had concerns about the repairs that had been undertaken. It was discovered that the repairs had not been carried out to adequate quality standards. Further investigation revealed that repairs had not been carried out as quoted for. Method of repair had been changed without consultation with the insurance company.

(b) The current Motor Vehicle Insurance and Repair Industry Code of Conduct, its governance structure and dispute resolution mechanisms and whether it is effective at regulating the relationship between repairers and insurers, and in serving consumer interests;

I am unable to comment on the effectiveness of the Repair Industry Code of Conduct at regulating the relationship between repairers and insurers, however I do not feel it is at all effective in serving consumer interests or protecting the rights of insurance claimants. The manner in which my vehicle repairs were handled was clearly a breach of the code of conduct, however I was still strongly encouraged to return my vehicle to that repairer for redress. I was also referred to that same repairer after a second accident as an insurer preferred repairer. I don't know what my insurance company's exact processes are for dealing with breaches of the code of conduct, but it would appear that whether they are addressed or not would depend on the benefit (or lack thereof) to the insurance company in doing so. In the meantime I can see no evidence that the impact on their claimants of using operators with a record of poor work or unethical work habits would be of any concern to the insurance company unless it somehow began to affect their profit margin.

(c) Consumer choice, consumer protection and consumer knowledge in respect of contracts and repairs under insurance policies;

Aside from an off the record chat with staff during my initial consultation at [REDACTED] Repair Centre, I was given no information regarding the repair that was about to be undertaken on my vehicle, no information on the winning operator aside from their name, address and contact number and no choice in repairer or say in the repair process. When I spoke to the assessor about the repairs after their completion, he had no recollection of my vehicle ever passing through his hands. I understand that they deal with a large volume of work at the assessment centre, however I feel my vehicle (which was only one year old at

the time) was quickly sold off to the lowest bidder and then just as quickly forgotten so the next car could be processed. The entire process showed little regard for customer service and nil care for my best interests. As soon as the vehicle passed into the custody of the repairer, any attempts I made to speak with my insurance company about the vehicle were terminated and my call was immediately transferred to the repairer.

The insurance company itself seems to have little to do with the claims process once it has passed into the hands of the assessment centre. Also, their call centre staff seem undertrained and ill equipped to deal with anything but basic or initial inquiries. I asked for other information from Insurance call centre staff such as their customer service policy and their anti-discrimination policy, which they were unfamiliar with, unable to locate and unable to confirm the existence of. It also took numerous phone calls before I managed to come into contact with an operator that could adequately explain their invoicing procedure to me. When I asked if my meeting with the assessor to discuss my concerns re the repairs would be confidential, I was assured this would be the case. As it turned out, this information was incorrect and the repairer in question was called to attend the scene without my knowledge or consent whilst I was still present. This was an extremely distressing experience and one I felt was a betrayal of my trust and confidentiality.

Repairs took longer than estimated, during which time I was left with no transport. When I arrived to pick up the vehicle, I expected to be shown repairs on the vehicle and be presented with an invoice, as is usually the case with mechanics and motor vehicle repairers. However I did not receive an invoice or a list of work that was done on my car and was compelled to ask for a verbal rundown. Responses to my questions were vague, evasive and impatient. I had cause to return to the repairer due to some other concerns and found their manner to be, though not outwardly rude, extremely condescending and dismissive. Many of my questions were met with rolled eyes and nonsensical answers. I believe this behaviour was due to the fact that I am a female. I also experienced this kind of treatment from male staff at the Repairlink Assessment Centre. This was such a frustrating experience that, even though I had been advised that the repair work was not up to standard, I seriously contemplated not following up on the matter any further as I couldn't bear the thought of having to deal with that repairer or the insurance company again.

The policies of my insurance company exposed me to stressful interactions with customer service representatives not of my choosing, poor repair work, ethically questionable behaviour and gender bias. Unfortunately I was forced to conduct my own quality assurance process and my own research into the repair work that was done. I was then required to take a very strong stance with the insurance company and their preferred repairer in order to protect my own interests – something they had failed to do on my behalf. I can only describe the entire process as stressful, distressing and infuriating.

(d) The business practices of insurers and repairers, including vertical integration in the market, the transparency of those business practices and implications for consumers; and

I can only assume the winning bid for repairs on my vehicle was chosen on cost basis alone. During my follow up discussions with the assessor, he stated it is extremely rare to receive complaints about repairs conducted by the non-winning bidder as they are very particular

about the quality of their work. However, they were not given the job. Their quote totalled \$6,813.10 and the winning quote totalled \$3,887.35.

Their system seems to encourage poor quality work by choosing the quote with the lowest final price even if that means awarding jobs without preference to operators whose work they know to be of superior quality. In doing so they are encouraging operators to underquote and underperform in order to keep work coming in. I am also concerned by the amount of insurers that use the same assessment centre and are essentially owned by the same company. This significantly narrows the field of competition for consumers who are unhappy with the level of service they are receiving from their insurance company via the assessment centre. I don't believe that consumers receive adequate information about insurance policies that do not allow you to pick your own repair facility and the implications of this on both the customer and the repair industry itself. I also think Insurance companies misrepresent the exact implications of these policies and do not clearly state their processes when selling their product. I also think there is inadequate information presented to the public about the fact that one company owns a significant portion of the insurers currently operating in NSW, and that a change in insurance providers will not necessarily resolve problems experienced with the previous insurer.

(e) Alternative models of regulation, including in other jurisdictions.

I believe that there should be more information available to insurees about the repairers they are being sent to. Some sort of feedback system they could perhaps refer to check the experience of previous customers. There should also be more consultation with the insuree in relation to the type of repairs to be undertaken and the repairer the vehicle should be sent to and greater follow up by the insurance company itself in relation to quality control.

Furthermore, I think the complaints process for customers when it comes to poor repair work arranged via insurance companies is woefully inadequate. The insurance company's response to complaints is to send the claimant back to the original repairer without assistance or representation to resolve the issue. If the complainant requests instead to speak to the assessor, this can be arranged though it is not preferred and the assessor will undoubtedly attempt to defend the repairer's position and have the claimant's vehicle returned to them as soon as possible without regard to the wishes of the customer.

It is for this reason I believe that insurance companies should be held accountable for their complaints resolution procedures and that if these procedures fail to produce an acceptable result for the customer, there must be a dedicated and independent body that the customer can approach for assistance and advice. An example of such a body would be the Telecommunications Industry Ombudsman which currently operates on behalf of customers of the telecommunications industry. The Telecommunications Industry Ombudsman's website states their "primary role is to provide a dispute resolution service that is accessible, independent, fair, efficient, responsive and effective." It further states that "service providers are only charged if we receive a complaint from one of their customers. Therefore, the funding system acts as an incentive for service providers to keep their complaints made to us to a minimum." I believe that a body such as this for the insurance and motor vehicle repair industry would not only ensure consumer protection and alleviate the stress and

confrontation inflicted on customers by the current procedures of insurance companies, but would encourage insurers and repairers to act in a more professional and ethical manner, as it has done for the telecommunications industry.

Furthermore, I believe that something more legally binding than a code of conduct should be put in place for repairers and Insurance companies and any breaches thereof should result in quantifiable penalties. As should a failure to report any breach.

To this date the vehicle has still not been repaired. I have found an independent repairer through my dealership that is prepared to help me and we are currently attempting to jump through the necessary hoops the insurance company deems necessary in order to have them pay for the re-work.