

**Submission  
No 3**

## **MOTOR VEHICLE REPAIR INDUSTRY**

**Organisation:** [REDACTED]

**Name:** [REDACTED]

**Date Received:** 7/02/2014

I have been in the Motor Trade for 37 years.

I now hold Full Retail Motor Dealer Licence.

I also own a volume Smash Repair facility in Sydney Metropolitan area that I currently am in the process of selling.

I think my knowledge of 2 sides of the Motor Industry may help the NSW Parliament introduce changes that would ultimately lead in greater consumer protection, awareness & transparent dealings with both Motor Dealers & Motor Insurers individually & collectively.

Listed below in 2 main topics are items that in my opinion should be seriously considered during the Motor Vehicle Repair Inquiry process.

### **MOTOR DEALERS**

From a Dealer's point of view I feel that all Motor Vehicle sales & Auction Personnel should be Licenced in a manner that satisfies Office of Fair Trading to the suitability of the individual, including but not limited to criminal history checks, they should also be regularly trained, monitored & kept informed of any changes to the Motor Dealers Act 1974.

A great deal of motor vehicle sales Personnel do not even know that the Motor Dealers act even exists!

I feel that these changes should be implemented as a lot of the younger people coming in to the trade do not have the knowledge or expertise that the OFT & Consumers expect them to have. OFT places all the emphasis on the Motor Dealer to comply with the law, yet generally the licence holder is not the one conducting the day to day business, it is always the licence holder's sales staff that mostly, are unfamiliar with the Tax Laws & legal obligations that involve the selling of Motor Vehicles.

These changes would put in place guidelines that can maintain a healthy relationship between Motor Dealers & Consumers.

This system would also eliminate the new comers to the motor trade to be incorrectly trained which then results in misleading & deceptive conduct of the consumers, therefore this would also create transparency & have a significant impact on eradicating unscrupulous participants within the motor trade.

### **MOTOR VEHICLE INSURERS**

All Insurance companies publish & advocate to the customers a "Duty of Disclosure" clause.

The Insurance companies should also practice their own "Duty of Disclosure" by advising their customers (both at point of sale & at point of claim lodgment) that all repairs to their vehicles will be authorised & performed at a competitive cost rather than to return the car to at least a pre-accident condition.

These insurance company methods always has a significant contribution in forcing some repairers to perform below standard work with the end result being that the consumers have to bear significant financial burdens & losses during the repair process & at point of resale.

Insurance companies insist that this sort of practice does not happen & then back it up by offering transferrable life time warranties on all authorised repairs!

The problems with these practices & in my past experiences are that ;

1/ Customers that on sell a motor vehicle (by nature) do not & will not declare to a prospective purchaser (whether it be a private buyer or a dealer) that their car has been involved in an accident whilst  
in their ownership

2/ Insurance companies do not have systems in place such as a central data base that can declare to a prospective purchaser that the car they are interested in purchasing has been involved in an accident

let alone the fact that it carries a life time warranty on those repairs.

If the purchaser of a car establishes that his/her purchase has had previous poor repairs & then makes enquiries regarding its previous claims history, the insurance companies always;

- (a) Will deny that the car was insured with them at that time!
- (b) Resist supplying the enquirer any relevant claim details by insisting on information such as claim numbers (which the enquirer is not privy to) & hiding behind privacy clauses!
- (c) Repeatedly with holding important & relevant information to the enquirer hoping that they would simply drop their line of enquiry! This behavior can only be construed as misleading & deceptive conduct.

