



# AMBRA NEWS

## A word from the new AMBRA Chairman



I welcome the opportunity to be the Chair of the nation's largest and most influential motor body repair association – AMBRA.

The challenges facing all motor body repairers never diminish and the advocacy and representation role of AMBRA as part of the nation's Motor Trades Associations and Automobile Chambers of Commerce, along with the Motor Trades Association of Australia (MTAA), has never been so important.

I thank the AMBRA Committee for their support and the opportunity to become the new chair. I welcome the election of Tom Skothos as AMBRA Deputy Chair and look forward to working with Tom and AMBRA delegates as we continue to fight for fairness, equity, business improvement, sustainability and improved relations with car insurers and other market participants.

I also thank outgoing AMBRA Chair Jeff Williams and former Deputy Chair Morry Corvace for their leadership, commitment, passion and significant representation for the motor body repair industry and motor body repairers. Jeff has secured significant improvements and brought to reality several initiatives to improve motor body repair businesses.

But there is much more work to be done as the pressures being exerted on the motor body repair industry and individual repairer businesses continue to mount.

AMBRA is working on several fronts to address conduct, behaviours and relationships with car insurers, manufacturers and consumers, and will keep you informed as these strategies progress.

New AMBRA Leadership profile s– see Pg. 2

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## Australian Financial Complaints Authority delivers significant finding

**The newly established Australian Financial Complaints Authority (AFCA) has delivered a significant finding to a complaint lodged on behalf of a motor body repairer customer by the Victorian Automobile Chamber of Commerce (VACC).**

A VACC member's customer lodged a complaint, firstly with the Insurer but the complaint was unresolved. The customer then complained to AFCA who investigated the matter found that the customer's "repairer of choice," a VACC member had done no wrong and the insurer had acted unfairly and breached their own policy. This Case, 620915, is important because it underscores previous Code determination orders, 1 (October 10, 2018) & 2 (November 16, 2018); (Download these orders from here: <https://www.abrcode.com.au/resource-centre.aspx>).

In this benchmark ruling, AFCA found that an insurance company was bound, under the terms of its policy, to settle a policyholder's claim in accordance with the consumer's preferred car repairer's quote.

The policy entitled the policyholder to choose their own car repairer, but the policy also gave the insurer a discretion to determine how much it would pay for those repairs. The insurer argued that the amount quoted by the preferred repairer was excessive and unreasonable and refused the policyholder's claim. In arguing that the preferred repairer's quote was excessive, the insurer relied on a quote from another car repairer which was substantially lower. But the insurer did not engage a qualified assessor to inspect the damaged vehicle.

AFCA found that the insurer had to exercise its discretion under the policy reasonably and in good faith. AFCA considered that it would have been reasonable for the insurer to engage a qualified assessor to inspect the damaged vehicle to assess the reasonable costs of repair: a lower quote from another repairer was insufficient for this purpose. AFCA went on to find that the insurer had not shown that the preferred repairer's quote was, in fact, unreasonable and excessive. AFCA directed the insurer to pay the policyholder the amount quoted by her preferred repairer plus interest.

To view the case see <https://www.afca.org.au/what-to-expect/search-published-decisions/> and place no. 620915 in the 'Case' field. Also see separate story on Page 2 on the processes for consumers to take their complaints to AFCA where other dispute resolution mechanisms have failed.

AFCA has been established to investigate and settles disputes between consumers and financial firms.

## Meet the new AMBRA Leadership



### Tod Sarina – Chair

Tod Sarina is well known in the motor body repair industry with more than 30 years' experience.

Tod started his career in the panel industry in 1985 as an apprentice with L & M Smash Repairs in Seven Hills. Tod then went to work for Alfys Prestige Smash Repairs located in Mt Druitt in 1995 then bought the business in 1999 joining the MTANSW at that time and Trading as Sarina Prestige Smash Repairs. The business now trades as ATA Fleet Repairer Group.

Tod has been an active MTANSW member having served as previous Body Repair Division Chairman and remains an active member of MTANSW Body Repair Division.

### Tom Skothos - Deputy Chair



Tom Skothos is a newly appointed MTA-SA Board Director and recently appointed Chair of the MTA-SA Body Repair Division having served on the committee for several years.

Tom brings to AMBRA more than 25 years business knowledge and acumen and is a partner with brother Kon in Adelaide's Pro Paint and Panel, Rightway Automotive Services, John Walker Panel Repairs and Plush Smash Repairs.

The family owned and operated business have developed a strong understanding of specific customer needs. They 'get' what a company needs when their vehicles break down, need servicing, or are damaged in an accident and enjoy having many national and South Australian brands and companies as longstanding clients.



## Increased options for dispute resolution

*Mediation, determination  
and now independent  
AFCA investigation and  
settlement for consumers*

**The Australian Financial Complaints Authority (AFCA) offers a new avenue for customers of motor body repairs to seek settlement of a complaint or dispute.**

It is important to note that AFCA cannot investigate complaints from small businesses such as a motor body repairer about a customer's treatment by a financial firm directly.

However, an MTA member motor body repairer can act as an 'agent' on behalf of a customer which is explained further in this article. and will be required to have the customer provide an agent authority form

AFCA can also investigate if a small business, such as a motor body repairer has a complaint about its own dealings with a financial firm. The types of complaints AFCA can consider include:

- errors in banking transactions and credit listings
- difficulty repaying loans, credit cards and short-term finance where your financial position has changed
- mistakes in guarantor arrangements
- errors in leasing contracts
- inappropriate provision of credit

- denial of an insurance claim (such as car, building and travel)
- mistaken internet payments
- inappropriate investment advice

Further information can be found at:

<https://www.afca.org.au/what-to-expect/small-business/>

### How Motor Body Repair businesses can help their customers with complaints

To advance a dispute to AFCA the repairer can assist the consumer by being an "Agent".

There are two 'agent approvals'. The first can be obtained from your Motor Trades Association which allows the repairer to make a complaint to the insurer in the first instance (procedural fairness issue). The second is an AFCA approval and can also be obtained from your local MTA or Automobile Chamber of Commerce.

The insurer must be given the chance to resolve the dispute raised by the consumers, albeit with the repairer as an Agent or Proxy. If they are not given the opportunity to resolve the complaint, AFCA will not be able to get involved.

However, once the insurer is aware of the customer's complaint and:

- the matter is left unresolved; and
- once the Insurer has had sufficient time to reply;

**the repairer can act as a "consumer advisor/unpaid"** and in making the complaint on behalf of the consumer, can upload the consumer's signed consent giving the repairer 'Agent Authority'.

These two Agent Authorities (VACC Agent Authority and AFCA Authority), are therefore companion pieces and are available from your local BRD Division Manager (The MTA / ACC form does not have to be given to the Insurer or AFCA, but should be retained should be retained by you in your customers file).

### Identical disputes

If your customer believes they have an identical dispute and want you to be their Agent for handling the dispute with the insurer, and then if necessary AFCA, **you can cite "Case Number – 620915" and state "I believe this claim dispute is identical to Case 620915" please investigate"**.

For further information please contact your local BRD Division Manager.



## Overcoming IDR submission difficulties

**MTAA and AMBRA recognise there are issues with effectively lodging Internal Dispute Resolution (IDR) notifications through the Code website [www.abrcode.com.au](http://www.abrcode.com.au).**

MTAA is working through the issues with the website developer and host to try and resolve these issues, some of which are complex and require redesign.

In the meantime, there are means of overcoming some of the experienced difficulties in logging into the site and providing the necessary documentation.

IDRs remain a key component of addressing disputes between car insurers and motor body repairers and their worth has been proven on numerous occasions.

IDRs are the cornerstone to dispute resolution provisions in the Code of Conduct and while MTAA and AMBRA are acutely aware of cases where some insurers appear to pay lip service to legitimate and properly constructed IDR's and in some cases reject them out-of-hand. IDR's nonetheless form as essential part of good faith negotiations and dispute resolution.

If mediation fails to resolve the notified dispute, then a matter can proceed to determination.

As all motor body repair members are now aware, longstanding issues have been dealt with determinations and resulted in the complaints of motor body repairers being upheld.

Further information and assistance can be obtained by contacting your MTA / VACC -TACC Body Repair Division Manager.

## Spotlight: SA Smash Repair Industry Inquiry



Government  
of South Australia

**Q: Why is the recently announced South Australian Government inquiry into the smash repair industry so important?**

**A:** Investigations by the NSW Government and more recently the Western Australian Government, and now the South Australian Parliament – all obtained by the Motor Trades Associations through their advocacy and representation – provide a public mechanism to highlight policy and operational problems, conduct and behaviours leading to poor business to business relationships, unsustainable businesses and poor consumer outcomes. MTAA, Member and AMBRA objectives have only ever to have fair equitable and meaningful relationships that enable all car insurance and motor body repair businesses, as well as suppliers and other market participants, the same opportunities to compete, grow and be profitable.

MTAA, Members and AMBRA use the collective findings of these inquiries to advocate for improved policy and regulatory outcomes, for dominant market players to be held to account, and for professional and otherwise sustainable motor body repair businesses to be able to continue to provide services required by Australian consumers

AMBRA and MTAA will be providing a submission to the SA Inquiry and encourage all South Australian Motor Body Repairers to participate and contact Paul Back at MTA-SA if further information or assistance is required.

## Code Advisory Committee MTAA Member Changes

Following the resignation of Mr Jeff Williams, the MTAA Board and Management Committee has determined that MTAA CEO Richard Dudley will join the Code Advisory Committee (CAC) for the Motor Vehicle Insurance and Repair Industry Code of Conduct.

Dudley will join other MTAA representatives on the CAC, Mr Brian Cowan and Mr John Guest.

Priorities for MTAA as the co signatory of the Code with the Insurance Council of Australia (ICA) will be to rectify ongoing inadequacies with the ABR Code website that are hampering the efficient and effective lodgment of Internal Dispute Resolution (IDR) notifications and related materials.

The MTAA will also refocus attention on obtaining further improvements to the Code in accordance with findings of recent inquiries by the Governments of NSW and Western Australia, and any relevant outcomes from the South Australian Government inquiry. Preparations will also be finalised for the next formal Code Review.





# STOP PRESS

## Request for Proposal planned for an IAG Partner Repair Network.

As this edition of this newsletter was being finalised, AMBRA was alerted to an IAG Partner Repairer Update and the contact of IAG Senior Management with several MTAs and VACC regarding IAG's plans for a request for proposal for an IAG Repair Network.

According to information obtained the Request for Proposal will occur in a phased, region by region approach and will be open to all repairers whether currently working with IAG or not.

AMBRA, MTAs and VACC/ TACC are currently seeking additional information and examining the proposal and will provide further advice in future updates.

## Newsletter and One Page Updates

This is the first edition of a new AMBRA newsletter than will be provided once a quarter.

It is designed to explore national issues AMBRA is working on in conjunction with MTAA and MTAA Members. It does and will not cross over the issues being dealt with more regularly by State and Territory associations and their BRD committees.

One-page briefing will also be provided on important issues as they arise.

Stories will be replicated on the AMBRA Website, which will now be more regularly updated to ensure members are being informed of latest national industry matters and the work of AMBRA and your Motor Trades Associations and Automobile Chambers of Commerce.

Feel free to provide any feedback or news to AMBRA News at [admin@mtaa.com.au](mailto:admin@mtaa.com.au).

## Next Meetings

- The next AMBRA Meeting will be held in September in Melbourne with dates to be advised.
- The next Code Advisory Committee meeting will also be held in September.

## Current Matters

- MTAA is seeking AMBRA input on an exclusive dealing notification received by the ACCC from Hyundai regarding the establishment of a preferred repairer network for its new 'Genesis' brand.
- MTAA has finalised some important work regarding some critical issues impacting motor body repairers that will be now brought to the attention of appropriate authorities.
- MTAA on behalf of AMBRA has also had constructive discussions with the Australian Securities and Investment Commission regarding insurance matters.

