



Australian
Competition &
Consumer
Commission

New car retailing industry market study: Consumers' comments on the draft report

The Australian Competition and Consumer Commission (ACCC) is conducting a market study into the new car retailing industry in Australia. As part of the market study, we have been considering a number of issues which affect new car buyers, including issues relating to: consumer guarantees and new cars, fuel consumption and emissions performance, and access to repair and service information by independent repairers. On 10 August 2017 we released a [draft report](#) summarising our findings and recommendations.

As part of our consultation process, we invited the public, including consumers, to provide either a submission or brief public comment through our online consultation hub on the draft report.

Included below are public comments from consumers on the draft report, which had been received by 7 September 2017. Some responses may have been edited to remove information which we considered as potentially defamatory or libellous. We will take into account submissions and comments from consumers when preparing our final report, which we expect to release in late 2017.

Where stakeholders provided submissions as a document, these are published on the [ACCC's new car retailing industry market study website](#).

Consumers' comments

The comments received by the ACCC from consumers are provided below.

Consumer 1 — Stuart Ager

It is all very well having Consumer Law, The problem is that our legal system is such that they take so long to get to court and then most likely fail, when others e.g USA make their cases win. A prime example is the VW emissions issue. I bought a new (affected) car in May 2015. Yet I am still awaiting justice for what was a blatant act of deception. An act that VW have admitted. When am I going to get justice. i.e. Refund or Replace. The ACCC needs to make an example of VW who have been playing games with Australia ever since this happened. My car is now an unsaleable lemon and has cost me a lot of money. If the yanks can get justice, it is time we got it.

Consumer 2 — Barbara Maloney

As a consumer of a new car that is a lemon, the most difficult thing I found was the dealership refusing to acknowledge there was a problem at all. I had to pay an independent mechanic to write a report on my car and only then would they agree to look at my car again. As a woman with no mechanical knowledge they take advantage of this and I found that they try to confuse you with things that no one would understand. I have repeatedly been told it was the way I drive or the clutch getting use to my driving style etc after being lied too for 12 months how am I as a consumer supposed to get a refund or replacement vehicle. Their stalling tactics and repeated repairs (a new clutch transmission kit every year since purchased) prolongs the process with promises that this time it will be fixed! Where do I stand the owner of a four year old car that was a dud from the beginning?

Consumer 3 — Ron Glanville

I have looked through your draft report on the new car retailing industry and support your findings.

I had an adverse experience with Jaguar LandRover Australia and extreme difficulty I had getting them to fix a fault in my car (a Freelander 2) that first became apparent while it was still under the new car warranty., which highlights some of the issues in your report about consumer rights and consumer law. I have attached a summary of this experience.

One other point about field consumption that you also discuss in the report - While I am generally happy with this car, I can also comment on the published fuel consumption figure of 5.7 l/100km for the extra-urban cycle. This figure is extremely difficult to achieve. Even under very easy highway conditions, I seldom achieve better than 7 l/100km. I would like to see more realistic, "real world" consumption figures published.

[In addition to this comment, a submission was uploaded. The submission can be found at www.accc.gov.au/newcars.]

Consumer 4 — Peter Jessup

I have read the Draft Report Summary for Consumers, released on 10 August 2017, noticing the provision for Independent Repairers to have access to Technical Information, but there is no mention of consumers being able to access Wiring Diagrams, something that is important to those who tow caravans and 4 wheel drive enthusiasts, so that they can connect items not supplied with their new vehicle. This extends to complete fuse legends and other electrical information which is also not generally available. (My dealer supplied alternator specifications, but nothing else!)

As in my initial submission, I believe the legislation governing speedometer accuracy needs to be changed to limit the error permissible to the range of 0 to +5% accuracy i.e. the speedometer can read that much above actual speed. My reasoning is that electronics should produce better accuracy and to promote better driving behaviour the driver should be able to drive at the speedometer reading, not more. I have proven with my car that the speedometer inaccuracy is built in by the manufacturer, unnecessarily, i.e. +7%. The mechanical speedometer in my 1995 Land Cruiser was spot on, so why not the electronic ones? Answer: Legal misuse of the legislation, because of the huge scope allowed! The Australian Government needs to fix this!!

Consumer 5 — Daniel Mathieson

After a long and exhaustive three year issue with a Honda with significant and multiple problems I'm left with a vehicle that whilst having had repairs (full suspension replacement, all window mechanisms replaced, engine removed).

All faults remain and warranty about to end. For an over \$50k car I have not had my rights protected in my opinion. If it was a toaster it would have been replaced by now. Instead I'm left trying to resolve and sell to some other person likely at a greater loss.

Consumer 6 — Robert Pinter

I would also like to see the report document the rights of consumers after the manufacturers warranty period has expired.

Unfortunately at this stage the consumer needs to seek legal action at the consumers expense as vehicle manufactures appear to ignore claims made outside of the warranty period for major component failures.

Consumer 7 — Siew Keow

An often deployed tactic or justification for refusing to rectify the new car performance issues (in particular those non-major or non-critical performance failures) under the new car warranty is that the new car warranty providers simply refusing to acknowledge the validity of the performance issues. They unilaterally declare that the new car is performing "Normally", hence nothing could be done about them.

In my specific case, my new car (Toyota Aurion ATx) was having performance issue known as "Brake Squeaks Noise On Stopping". It started to happen within a month of taking delivery of my brand new car from [REDACTED] (an authorised dealer) when the new car (Toyota Aurion ATx) had just done around 730km. The issue was disputed and denied by the Toyota selling dealer (their technicians and service manager) as an issue. They claimed that the new car was performing as expected for the particular Toyota model. I then submitted a written complaint to Toyota Australia through their "Customer Experience" webpage. After a period of time, Toyota Australia replied and stating that their dealer's technicians are their best experts and simply referring me back to the selling dealer. This effectively, stating that there is nothing wrong with the new car, and nothing can be done about it.

Had I known of such an performance issue/characteristics beforehand, I would definitely NOT buy the Toyota Aurion ATx, or any other Toyota car models. I hope that ACCC or the other relevant authorities could initiate a database to publish such information for research referencing by all new car buyers of course, such information publication must be subjected to prior due diligent investigation by the relevant parties and stake holders. Open comparative information availability and potential issues awareness would be an effective mean to enabling new car buyers to share their experiences, and thus putting pressure on the new car suppliers to stop denying and start fulfilling their new car warranty obligations.

Consumer 8 — Andrew Forsyth

This submission is supplementary to my initial submission dated 20 October 2016.

In my opinion, one of the major obstacles faced by a consumer wishing to enforce a warranty or a consumer guarantee in respect of a motor vehicle is the very high cost of litigation relative to the cost of the motor vehicle.

Dymocks paid \$225,000 for its first defective BMW and a further trade in price of \$55,000 for its second defective BMW but even these relatively high figures could not justify the cost of litigation with the consequence that BMW has been able to sell two defective vehicles without being held to account.

I suggest that, in addition to enhanced dispute resolution procedures, a regime be established under which a consumer can submit a documentary claim to a special low cost tribunal and that the supplier of the motor vehicle be bound by the decision of that tribunal.

Consumer 9 — Anthony Aisbett

I just wanted to note a couple of points from recent experience with Jeep. A fault with the throttle rendered the car un-driveable, as it went into "limp home" mode. The vehicle was a 2014 plated car, purchased in 2015, and the issue was less than 2 years from purchase.

1. Warranty "Cancelled" without notification.

When checking their warranty system (I assume they meant the manufacturer's warranty system), the dealer advised that the warranty had been cancelled because an intermediate (6 month) service was missed. This was in spite of all scheduled services being completed with the dealer, including a 24000k service only 3 months before the failure. They assured

me that notification of cancellation had been made (it was my daughter's car) but she assured me that she was never notified.

2. Warranty end date on previous year plated vehicles.

We were advised that the warranty period ends 3 years after the date the dealer plated it, not 3 years from purchase. It was sold as a 2014 plated New vehicle, and not as a "Demo" as covered by the report.

As we were clearly unhappy to hear all this while dropping off an un-driveable vehicle, the dealer agreed to do the repair as 'goodwill' and restore the warranty status, as long as we agreed to continue with 6 month servicing.

3. Enforced servicing to retain warranty.

The component that failed would not have been checked or detected during routing 'intermediate' services. The dealer should not have the right to decline warranty repairs that are not in any way linked to failure to have an enforced 6 month basic check.

Consumer 10 — Frances Young

2014 Ford Focus issues I've had. Hatch opens when touch keys, tyres worn out, engine & brake warnings, damaged while fixing recall, seat adjust handle refused replace, seat ripped under while fixing seat runner, rude customer service & sold it knowing of transmission/clutch problem. Want refund.

Consumer 11 — Dave Lomulder

Hi, I am very great full to be a part of this study and that you have begun a much needed review into the new car industry. As I am currently in a dispute with a major car manufacturer, I have been forced to pay VCAT for a case hearing. This is due to the fact that despite consumer laws clearly stating the expectations and conditions of what a new car should be for the consumer, ACCC and other similar parties are powerless to enforce any law. For example of just one of my major defects - I have been sold a brand new vehicle and discover rust in multiple locations in the body and chasis with only 1200km (1 month old) The car manufacturer instructs the dealership to spray with a CRC solution and return to the consumer. The consumer notices that the car still has the rust, the solution coming off and reports at 2,000km (3 months) that's it's unacceptable to have this rust and wants a refund. The manufacturer then clearly indicates that no refund would be possible and offers the car to be resprayed in the affected areas. The car is booked in at 3500km (5 months) and kept for 5 weeks to be resprayed on a brand new vehicle. At 7000km (9 months) the rust has spread into new areas and reappeared in the same areas already treated. Manufacturer then says it's a warranty issue with the panel work shop and to return the car to be repaired. Manufacturer and panel shop refuses to put in writing what work will be repaired and guarantee it will be fixed. 13,000km (14 months) and still no response in writing and forced to take manufacturer to VCAT despite having over 40 pages of documented evidence, photos, emails, quotes, refused insurance policy (due to rust) and so on. The attached pictures clearly demonstrate the amount of issues I have had in less than 12 months. No refund offered, no compensation offered, no ACCC consolation achieved for refund, just the poor consumer left with a \$60,000 plus lemon.

Consumer 12 — Shasha G

Please consider the need for HIDs installed in newer cars, as they are a blinding hazard especially at night. While I understand they increase visibility for the car driver, they however are alarmingly bright and disturb the oncoming car driver's vision.

I've been in multiple situations where I've had to slow down because I could not see due to oncoming car's bright and often bluish tinted headlights piercing my eyes and a few times where I could not change lanes because of the same bluish tinted headlights of a car behind me. The glare was so strong in my side view mirrors that I couldn't see into the mirror, but the reflection hurt and obstructed me from driving normally.

I foresee a great deal of accidents due to such brightness and refer you to an existing UK publication where this issue has been mentioned:
<http://www.roadsafetygb.org.uk/news/4636.html>.

Whether or not there is proof that the new HID's or in some cases LED's used are regulatory approved, it is still the manufacturer's duty to inform their customers of what these lights are and give the customer the option of using them or standard halogen globes.

From further readings and investigations, I've found that many cars give the headlights 5 settings and allow the globe to face different directions for better visibility. While I understand this is necessary and sometimes beneficial in some areas such as night road in the country, they most certainly are not necessary in the city and the driver should have full control over the ability to reduce these settings to match the environment they are driving in. Think of it as using high beams in the city, HID's are the same.

I hope you will take this concern seriously and make further investigations of it.

Consumer 13 — Joanne Dale

IN AUGUST 2017 WE WERE SUCCESSFUL IN OUR NTCAT CLAIM AGAINST [REDACTED], FOR A REFUND ON OUR 2015 FORD ECOSPORT EQUIPPED WITH FORD POWERSHIFT DPS6 TRANSMISSION.

NTCAT FOUND THE VEHICLE DID NOT MEET THE STANDARD OF THE ACL UNDER SECTION 55 AND 64 AND THE FAILURE OF THE DEALERSHIP TO PROVIDE A VEHICLE THAT IS CONSISTENTLY SAFE CONSTITUTES A 'MAJOR FAILURE' PURSUANT TO ACL SECTION 259.

IT IS OUR OPINION THAT ONE OF THE OBSTACLES PREVENTING US FROM REACHING A RESOLUTION FOR A REMEDY OF OUR CHOICE WITH THE DEALERSHIP IS THE CONTRACTUAL OBLIGATION BETWEEN THE DEALERSHIP AND MANUFACTURER.

IT IS OUR OPINION THAT SUCH AN AGREEMENT MUST BE INVESTIGATED IF IT PREVENTS OR DELAYS CONSUMERS EXERCISING THEIR RIGHTS UNDER ACL AND HINDERS DEALERSHIPS FROM HONOURING THEIR OBLIGATIONS UNDER ACL.

Consumer 14 — Julie Oliver

After 3 transmission overhauls it is my belief that Ford are unable to deliver a long lasting solution for the power shift transmission problem. After each repair I was told the problem was fixed. The car started to shudder again after the last repair. I have feared for my safety and the safety of others. I have no trust that the car is safe or reliable. On my behalf in April 2017 the dealership where I purchased the car contacted Ford requesting a full refund. This was denied as it was Ford's belief that the car is fixed. The offer made to me by Ford asked for me to contribute more than 60 per cent towards the cost of a new car. This was not acceptable to me. My vehicle is equipped with a powershift transmission and has experienced a significant devaluation in resale value because the public know about the issues with the vehicle. I also could not sell my problem car to someone else.

Consumer 15 — Lauren Wellard

I purchased my Ford Focus trend in 2013 and have had multiple clutch replacements. I am a very unsatisfied with ford.

Consumer 16 — Lisa Willadsen

I'm concerned that dealers don't recognize what is classed as a major fault with a car and what should be done in those situations.

And I'm hoping the changes will see consumers more in control and more options when their cars have issues.

Consumer 17 — Shaun McTeigue

I purchased a brand new Jeep Grand Cherokee in 2012. I have had significant issues that have been recalled including two major faults that have caused the vehicle to stall and lose power while underway on a highway with my family inside. These major incidents nearly caused a major accident. When I have requested from Chrysler Australia to refund the purchase price they have constantly rejected my claim citing the issue was related to a flat battery. I had made a complaint to the ACCC however no action was taken and given the weak response from ACCC to Chrysler in the first round of complaints, I am left with no avenue but to sink more money into the car to try and fix this lemon. Given the two major faults could have seriously injured or killed my family or someone else I find it difficult to understand why my rights as a consumer to remove this car off the road have not been addressed.

Consumer 18 — Patrica Ceulen

Holden Colorado 2014 build my2015 model LTZ crewman 4x4 auto purchased Jan 2015
Excessive oil consumption since day 1 going back to dealer every 3000klm for consumption test

They say it is within limits after they fitted a longer dipstick and they changed the oil to thicker grade contrary to specifications

Increased fuel economy & cannot be trusted NOT FIT FOR PURPOSE

Consumer 19 — Benn Spencer

Simple: If a new car is faulty & not fit for purpose, a full refund should be given.