



SEPTEMBER 2017

SUBMISSION

for the

Australian Competition & Consumer Commission

NEW CAR RETAILING INDUSTRY

A market study by the ACCC
DRAFT REPORT



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New Car Retailing Industry – a market study by the ACCC Draft Report

Submission in Response to the Draft Report

Introduction

We would sincerely like to thank the ACCC for their extensive research into the conduct of the Australian Motor Industry and the release of the *New Car Retailing Industry – a market study by the ACCC Draft Report*. This Study has highlighted what many Australians are already aware of, and that is the decades' long entrenched culture and ethics of the Motor Industry in Australia.

Generally, the Motor Industry is seen to be behaving more like the 'Motor Mafia'. For many consumers that term would be considered an apt description. This 'Motor Mafia' have been known to regularly dictate their terms as to what they will or will not do for their customers, rather than provide the appropriate redress as is legislated, and in the spirit in which the consumer laws were written.

Because one particular manufacturer and a number of their associated dealerships chose not want do the right thing by many of their customers, some of those customers banded together. Ashton Wood (*Destroy My Jeep*), Stewart Lette (*Lemon Vehicles in Aus*), Connie Cicchini (*Lemon Vehicles in Aus*), Teg Sethi (*I Made A Mistake I Bought a Lemon Jeep – the music video that went viral*), Aviram Goldwasser (*Poisoned by Fiat Chrysler Australia mini documentary*), Kate Masters and Joseph Masters (*Tank My Lemon Dodge*) made a stand against FCA and the motor industry to let them know loud and clear that they have had enough of how they had been treated and had enough of their unreliable, unsafe and %\$#@y cars.

From the bottom of our hearts we would like to also thank the following for their contributions and support:

- Yvette D'ath MP for getting Motor Vehicle Lemon Laws on the agenda for *the Australian Consumer Law Review*, and sponsoring Stewart Lette's Queensland Government E-petition for the Motor Vehicle Lemon Laws,
- Peter Wellington MP for sponsoring Connie Cicchini's Queensland Government E-petition for the removal of the QCAT limit of \$25,000,
- Stirling Hinchcliffe MP and his motion for the *Queensland Government Inquiry into Lemon Vehicles*,
- Federal, State and Territory Governments for their support of the recommendations from the *ACL Review Report* to enhance the Australian Consumer Laws,
- Choice for providing that all important survey into lemon cars,
- John Cadogan (*Auto Expert*) for his pull no punches reviews, opinions of the motor industry and their vehicles,
- John Rolfe (*Public Defender*) for his many articles on consumer issues and lemon motor vehicles,
- Former Federal Government Senators Glenn Lazarus and Ricky Muir,
- Sharyn Littler and the Australian Motoring Enthusiasts Party,
- Robbie Katter MP (*Qld*), Shane Knuth MP (*Qld*), Bob Katter MP (*Federal*) and Katter's Australian Party,
- The many social media pages dedicated to issues surrounding lemon vehicles in Australia,
- The individuals, businesses and organisations who has made a contribution to the *New Car Retailing Study* and the *Australian Consumer Law Review*, and their support for Lemon Laws not only for motor vehicles but for all products as recommended in the *Australian Consumer Law Review Report*,
- John Bussa (*Solicitor*) for his support, valuable time, and assistance with the '*New Motor Vehicle Contract/Purchase Agreement Annexure for Acceptable Quality and Enhanced Consumer Guarantee Clauses*',
- Anybody we may have forgotten and,
- Last but not least, let us not forget FCA for without them, this *New Car Retailing Study* may never have eventuated.

Connie Cicchini
Lemon Laws 4 Aus

What was the inspiration for the New Car Retailing Industry Study?

Concerns about Fiat Chrysler Automobiles (FCA), many of their dealerships, and the Motor Industry and how they were generally handling customer complaints had been raised with the ACCC in 2014 when Ashton Wood (*Destroy My Jeep*) instigated a meeting with the ACCC at their Brisbane Offices. This meeting was also attended by Stewart Lette (*Lemon Vehicles in Aus*) and Connie Cicchini (*Lemon Laws 4 Aus*). Coincidentally these three individuals had met through social media only because they all had one thing in common, and that was they all owned faulty vehicles that had been built by the same manufacturer.

It was at this meeting with the ACCC, Mr Wood presented the ACCC with a very long list of unhappy customers who had purchased faulty, new FCA manufactured vehicles (ie Jeeps, Alfa Romeos, Dodges, Chryslers and Fiats) and who were also experiencing difficulties in getting redress, if any at all. This list had been gathered because of a very effective *Destroy My Jeep* social media campaign.

The *Destroy My Jeep* campaign was mostly crowd funded and *Lemon Laws 4 Aus* become the major sponsor so as to ensure the campaign's success. Ms Cicchini who is the founder of the lobby group *Lemon Laws 4 Aus*, supported Mr Wood's campaign as she understood the significant benefits his *Destroy My Jeep* campaign would eventually have for the Australian Consumer. Ms Cicchini at the time was also planning on launching her own campaign to obliterate her lemon Alfa Romeo and instead, decided along with Mr Lette to wholeheartedly, and with much enthusiasm support Mr Wood in his campaign.

The *Destroy My Jeep* campaign was created for the following reasons:

- So that the faulty Jeep could not be on sold to someone else,
- To raise awareness of how difficult and/or impossible it was for many consumers to get a remedy of a replacement vehicle or refund when they had major problems with a vehicle, and when they were entitled to such redress under the consumer laws,
- Make a point that consumers will no longer tolerate being treated so poorly by many manufacturers and dealerships, and be denied of their legislated rights,
- The inadequacies of the consumer laws,
- Enforcement of the consumer laws lacking,
- Jurisdictional limits in many of the states and territories for motor vehicle claims were insufficient, and legal action in the court systems too costly and stressful for many consumers,
- Encouraged consumers with faulty vehicles and were having difficulties getting redress from their manufacturer or supplying dealership to lodge complaints with the ACCC.

From that initial meeting with Mr Wood, Mr Lette and Ms Cicchini, it became apparent to the ACCC the actual extent of the problems with 10,000 complaints lodged with the ACCC in relation to new cars in a two year period. Leading on from that meeting with the ACCC investigations started and the following occurred:

- An administrative undertaking by FCA to establish a consumer redress program to review its handling of past complaints, and an Australian Consumer Law (ACL) compliance program. (The FCA Customer Redress Program has been omitted from the *New Car Retailing Industry Study Draft Report* and we request it to be included in the *Final Report*, along with our concerns to the program's implementation. These concerns will be listed later in this submission),
- ACCC takes action against Volkswagen over diesel emission claims,
- ACCC takes action against Audi over diesel emission claims,
- ACCC institutes proceedings against Ford,
- Holden's court enforceable undertaking to address the ACCC's ACL non-compliance concerns,
- A market study by the ACCC into the New Car Retailing Industry,
- The ACCC supporting recommendations in the recent consumer law review to address uncertainties and strengthen the application of consumer guarantee rights.

Safety Recalls

Most new vehicles will eventually be on sold or traded in. Because of this it is not sufficient that recall notices are distributed by the manufacturer. A person who has acquired a second hand vehicle would not generally notify the manufacturer that the vehicle has been transferred. Vehicle transfers are registered by State and Territory authorities and it is these authorities that usually have the most up to date contact details of vehicle owners.

Recommendations:

Recall notices should be:

- Made available on manufacturers' websites,
- Made available on the ACCC[s website,
- Distributed by the State and Territory departments that issue registration of motor vehicles.

Access to technical information for new cars

Consumers and independent mechanics should be able to easily access any technical information about vehicles so that any vehicle can be serviced and/or repaired to the Manufacturer's specifications.

Recommendations:

Mandatory sharing of Technical Service Bulletins and service information should be made:

- Easily available, at no delay or cost to the consumer and independent mechanics on the:
 - Manufacturers' websites
 - ACCC's website
- Alternatively, should there be a fee to access any service information, then these fees should be government regulated.

Additional information for Draft Report

We would like to bring to the attention of the ACCC and have included in the Final Report, that on some occasions, a fault with a vehicle will not log as an error code and a scan tool diagnosis alone is not sufficient.

There have been many reports from consumers where the manufacturer or dealership will dismiss a reported issue with the vehicle if no fault code is logged, and subsequently:

- Will not investigate further as to what may be causing the fault,
- Turn the consumer away without repairing the vehicle of the reported fault.

It is reasonable for a customer to expect that if there is a problem with a vehicle that the manufacturer or dealership's service department would have qualified mechanics with sufficient experience and access to technical information to accurately diagnose and repair a faulty vehicle rather than state there is no fault and do nothing about it.

Find attached a copy of a BMW service document which confirms that not all vehicle faults will log fault codes. (*Attachment 1*)

Recommendations:

In instances where the manufacturer or dealership are having problems diagnosing the fault:

- A courtesy vehicle, loan car or taxi vouchers should be supplied to the consumer at no cost while the manufacturer and/or dealership continue to diagnose the vehicle to find the fault so it can be then be repaired.

Consumer understanding about consumer guarantees at the point of sale of a new car

Through our dealings with consumers, we have found that many consumers are not aware of the *Australian Consumer Laws* and/or their *Statutory Consumer Guarantees* or even know where to go to access this information.

We agree with the *Draft Report*, that an oral explanation of the consumer guarantees may not be adequate. There is a concern though that by providing a new customer in writing within 30 days of purchase, advising them of their statutory consumer guarantees as noted by the *ACCC's Court Enforceable Undertaking for Holden* this may disadvantage the consumer as:

- Holden's enforceable undertaking allows the customer to return a vehicle with a minor fault within a very short period of time. That period being only 60 days,
- There is a delay sending any notification in writing, and valuable time will be lost from the already short period the customer has available to return or get a refund for the vehicle should it have a minor fault,
- The dealership may forget to send the notification in writing to the consumer,
- Correspondence could get lost, delayed or accidentally discarded,
- The consumer may not realise the importance of the correspondence and not read it within the period they are able to return the vehicle should it have a minor fault.

Recommendations:

So that consumers are not at a disadvantaged by any time delay, *Statutory Consumer Guarantees* should:

- Be orally explained to the customer before they sign any new car purchase contract or agreement,
- Be mandatorily and included to form part of any new car purchase contract or agreement,
- Alternatively, if sales contracts are already printed, then the *Statutory Consumer Guarantees* should be included in the form of a mandatory annexure and attached to form part of that new car purchase contract or agreement.*
- Adding such an annexure or clause to a new car purchase contract or agreement and requires the *Consumer Guarantees* to be signed by both parties will benefit in the further education of suppliers and consumers as to the importance of these statutory guarantees.

*In Queensland disclosure forms are mandatory and are included in all contracts for the sale and acquisition of properties.

Proposed amendments to enhance the ACL

Lemon Laws 4 Aus is excited about the support that has been received for the enhancement of the *Australian Consumer Laws*, in particular the recommendations made by CAANZ.

We would like to comment on the following proposals from that review:

Proposal 1:

"Where a good fails to meet the consumer guarantees within a short specified period of time, a consumer is entitled to a refund or replacement without needing to prove a 'major failure.'"

What is an adequate short amount of time and is 30 days sufficient?

Some items may not be used immediately or regularly before finding a minor fault eg:

- new cars may only be used on the weekends if the consumer takes public transport to work,
- Luxury dress watches may only be worn for special occasions,
- Caravans may not be used until the consumer is able to take holiday leave,
- Range hoods may not be installed immediately as the consumer may be waiting for a tradesperson to become available.

Also consultation with a representative from a motor manufacturer has given some insight to the replacement of a new vehicle within a twelve month period. It was explained that if a vehicle has been replaced within a twelve month period, the manufacturer and/or the dealership are not normally at any financial disadvantage as they are usually able to resell the returned vehicle at its cost price or above.

Recommendation:

Considering that not all products will be used immediately or frequently, and that a new car returned within a 12 month period does not normally put a manufacturer or dealership at any financial disadvantage, but a faulty new car or product in many instances may significantly impact on a consumer financially and emotionally then:

- A short amount of time that a customer is entitled to a refund or replacement without needing to prove a major failure should be 12 months.

Proposal 2:

Clarify further '*multiple non-major failures can amount to a major failure.*'

This proposal is very much akin to the long awaited Motor Vehicle Lemon Laws that many Australian Consumers have been crying out for, for far too many decades. This enhancement will not only be suitable for lemon vehicles but also for any lemon product in the marketplace.

The definition of a lemon vehicle:

"A lemon is a vehicle (often new) that is found to have several manufacturing defects which may affect the safety, value or use of the vehicle. Any vehicle with numerous, severe issues can be termed a lemon and, by extension, so can any product with flaws too great or severe to serve its purpose."

Lemon (automobile) - Wikipedia
[https://en.wikipedia.org/wiki/Lemon_\(automobile\)](https://en.wikipedia.org/wiki/Lemon_(automobile))

Recommendation:

We have concerns on how 'Proposal 2' may eventually be worded and that it may still lead to different interpretations by the manufacturer/dealership and consumer if it is not specific enough in its definition. The possible phrasing of 'Proposal 2' could include the wording such as:

"that if multiple minor failures have been repaired, and another same or different minor failure occurs, then that event will amount to a major failure and trigger the consumer's statutory right of option to either a replacement or full refund."

An option that may be advantageous for both the consumer and suppliers and worth considering is a calculation for 'fair use' when a product fails to meet the consumer guarantees after a short time, and that time being no less than 12 months. In some of the US models of the Lemon Laws this figure is calculated from the date when the first fault was reported. 'Fair use' calculations should not be confused with current wholesale value of the vehicle. Using current wholesale prices would only further disadvantage the consumer financially as a consumer would normally purchase a vehicle at retail prices.

The formula to calculate 'fair use' would be as follows:

$$R = A - [(B \div C) \times 100 = D]$$

R is the refund payable to the Purchaser/s

A means the price paid for the vehicle and includes on road costs, delivery costs, tax imposed and other options costs on the vehicle at the point of sale.

B means from delivery to the Purchaser/s the kilometres travelled by the vehicle when it was first returned to the Dealership for correction of a problem.

C means the total of 250,000 kilometres being an average of distance travelled over ten year life of vehicle.

D means the percentage of use of vehicle distance travelled.

FCA Customer Redress Program

In September 2015 the ACCC issued a media release (*Attachment 2*) stating that Fiat Chrysler Australia had provided an administrative undertaking to the ACCC after it had investigated a number of consumer guarantee complaints concerning many vehicle faults and the handling of those complaints.

The undertaking by FCA included a commitment to establish a consumer redress program, and to review how the company had handled previous complaints, along with an Australian Consumer Law compliance program.

The review of the previous complaints were to be independently reviewed with FCA committing to implementing the remedy as recommended by the independent reviewer with the ACCC also announcing that it would monitor the program.

As noted earlier in this submission, this Administrative Undertaking by FCA has been omitted and should be included to form part of the *Final Report* so to establish its effectiveness, any issues that may have arisen so they can be addressed before implementing programs of this type in the future.

Issues arising from the FCA Administrative Undertaking and will the Holden Court Enforceable Undertaking have similar issues?

There have been a number of issues raised in regards to the FCA Administrative undertaking and whether any of these concerns will be repeated in the Holden Court Enforceable Undertaking.

The issues raised are as follows:

- The ACCC have approved an Independent Reviewer who the manufacturer had nominated.
- Is the approved reviewer working for the ACCC, the manufacturer or the consumer? From what we understand, the manufacturer is paying for the services of the Independent Reviewer. If that is the case is the manufacturer then the client and could this be considered a conflict of interest in redressing issues for the consumer under the redress program?
- The approved person was previously in-house counsel for Ford Australia. The ACCC has instituted proceedings against Ford Motor Company of Australia Limited (Ford) alleging that it engaged in unconscionable and misleading or deceptive conduct, and made false or misleading representations in its response to customer complaints.
- Remedies are not consistent (refer to below case studies).
- From correspondence we have received from the ACCC we have formed the opinion the ACCC may not be adequately overseeing the program and ensuring that the appropriate outcomes are being applied in each instance.
- The manufacturer is collating information for the independent reviewer, and issuing the redress letters to the customers. There are concerns of transparency and if all the relevant information is being forwarded to the reviewer so that a proper assessment can be made.
- We believe an additional independent reviewer should be considered to review past and current cases. It is our opinion this additional reviewer should specialise in consumer law and its application, be independent, and not have worked in an industry that may cause a potential conflict of interest for persons seeking redress through the program.
- If the additional reviewer requires assistance about technical information then an independent mechanical/s should be made available.



Case study # 1 - 68 days in the workshop

4/16/2017

Gmail - FCA Redress Payment



FCA Redress Payment.

17 December 2015 at 22:52

Dear [REDACTED]

Last week I received my "redress letter" from FCA, as the independent assessor, I'm sure you're aware.

The letter stated that my vehicle had been in the FCA workshops for a total of 7.5 days, which is a gross underestimate.

Attached is the history of the problems with my vehicle and the 68 days that I was without the vehicle while it was at the dealership.

Obviously I don't accept the payment of \$1,342.50 and have burnt the cheque and put the video on social media.

I calculated the daily "redress compensation" rate used by FCA at \$179 per day.

This figure needs to be reviewed, as it barely covers the cost of a hire car. A proper redress figure would have allowed for loss of income for the days without the vehicle, personal stress and a goodwill component, none of which has been offered.

[REDACTED] FCA need to come up with a fair figure, make sure they're calculating the correct number of days and offer redress to customers LIKE THEY MEAN IT!

I have written a formal rejection of my payment to FCA and have also written to the ACCC voicing my concerns, as have many other people who have been told they will need to wait until 2017 for their "redress".

I have no idea what sort of circus they are running in there, but the FCA customers are getting restless.

Kind regards,

 2010 Jeep Cherokee Limited issue report.pdf
68K

- Customer qualifies for redress under the FCA Customer Redress Program.
- FCA stated the vehicle had been in the workshop for 7.5 days.

REDRESS PROVIDED

\$1,342.50

(7.5 days x \$179.00 per day for hire vehicle)

- As there had been an error in the number of days the vehicle had been in the workshop, the customer rejected FCA's offer of \$1342.50, notified the ACCC, and burnt the cheque.
- Mr Wood then contacted the independent reviewer and reported the error to the number of days in which the vehicle had been in the workshop.
- The number of days the vehicle was actually in the workshop was a total of 68 days.
- Mr Wood also requested a realistic amount to be applied for the hire car rate and be compensated for loss of income etc for not being able to use his vehicle.
- If given that the daily hire rate was provided by the redress program, and then calculated at \$179.00 per day, the minimum amount the FCA Customer Redress Program should have compensated Mr Wood for not being provided with a loan vehicle whilst his vehicle was in for repairs should have been:

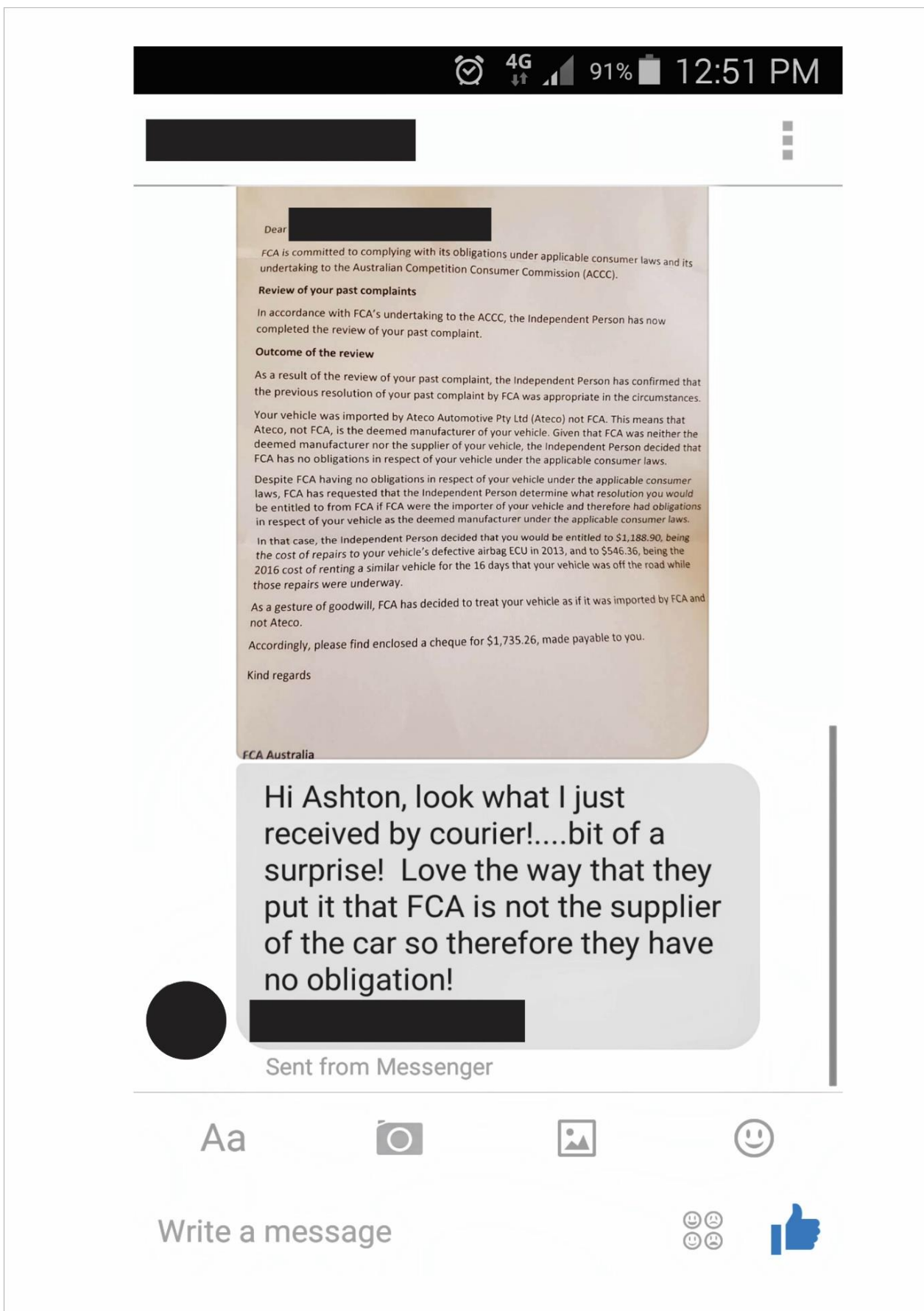
MINIMUM REDRESS REQUIRED

\$12,172.00

(68 days x \$179 per day for cost for renting a similar vehicle)

- Mr Wood is still waiting to be properly compensated in accordance of the relevant consumer laws through this Customer Redress Program.

Case study # 2 – 16 days in the workshop



- Customer qualifies for redress under the FCA Customer Redress Program.
- Vehicle manufactured by FCA, and Ateco Automobiles had imported the vehicle.
- In May 2012 FCA took over the distribution rights from Ateco and became the Australian factory distributor.
- *Lemon Laws 4 Aus* have spoken with a representative from Ateco and were told there is apparently a commercial arrangement between Ateco and FCA , and that the factory distributor should honour any warranty claims for vehicles that had been imported by Ateco.
- Customer notes the statement made in FCA’s letter that because FCA did not supply the car they believed they had no obligations. FCA’s statement may possibly be misleading.
- FCA claim in their correspondence they are not the manufacturer but as a gesture of goodwill will treat the vehicle as if it were imported by FCA.
- Customer was provided redress of:

REDRESS PROVIDED

\$1,735.26

(Being for a \$1188.90 for a defective ECU in 2013 and \$546.36 being the 2016 cost of renting a similar vehicle for the 16 days (\$34.15 per day) that your vehicle was off the road while those repairs were underway)

- Customer appears satisfied with the results from the Customer Redress Program.

Case study # 3 – 250 days in the workshop

4/16/2017

Gmail - Important information regarding your vehicle



Important information regarding your vehicle

20 December 2015 at 13:52

Hi [REDACTED]

I am one of FCA's customers who is being assessed through the Customer Redress Program.

I am an associate of [REDACTED] and I was concerned to learn that he only received a refund for about 7 days when his has stated his vehicle has been in for repair for many more days than that.

I felt that I should contact you directly to ensure that you have received the relevant documentation and are aware of the total number of days my vehicle has been with FCA authorised dealerships for repair.

To date the accumulated days have totalled to **over 250 days** at their authorised repairers.

Working from the refund calculated by FCA to [REDACTED] that would mean **the refund in my circumstances would equate to approx \$44,450.00.**

My purchase contract for the vehicle with on road costs etc totalled \$41,050.00.

I would also like to point out that the Alfa Romeo 147 I acquired was **not of merchantable quality**, had major problems, was not easily repaired, reliable or safe.

When I took delivery of the vehicle on 30th October 2009 it had faulted on the drive home from the dealership and I had to book it in for repairs that very day. **FCA were also aware that this model was not of merchantable quality** as they had issued a **service news bulliten on the 10.06.2009** in relation to the balance shaft belt and tensioner (refer to Service Tax Invoice # ARCAA81221 04.11.2009).

As you have been employed as the independent reviewer in regards to the ACCC/FCA Customer Redress Program I hope that you have a full understanding of both the Trade Practices Act and the Australian Consumer Laws and have also made FCA aware of these legislations.

I trust that your independent review in regards to the Customer Redress Program will take into consideration the relevant consumer law and the consumer's requested be it a refund, replacement vehicle or an alternative outcome.

I purchased my vehicle in 2009 thus making **the Trade Practices Act the relevant consumer law which applies in my circumstances.** As the vehicle was not of merchantable quaity and taking into consideration the number of accumulated days my vehicle has been in for repairs and testing I am expecting at least a full refund.

As my case is already being looked at by FCA I hope you will have my review finalised with a minimum of a full refund made available to me prior to Christmas 2015.

Please do not hesitate to contact me if you require more information. I will be forwarding relevant documents to you shortly.



- Customer qualifies for redress under the FCA Customer Redress Program.
- The independent reviewer was made aware the vehicle had been in the workshop for 250 days and that vehicle was not of merchantable quality.
- Customer was provided redress of:

REDRESS PROVIDED

\$652.00

(Being for an estimated 900 kilometres of test driving and equates to roughly 10 days' driving, and calculates that renting an equivalent vehicle (a Mercedes A180) for 10 days would cost \$652.00. If the testing requires your vehicle to be driven more than 900kms, FCA should pay the customer \$73.00 for every additional 100 klms)

At the time this redress had been issued, the vehicle was already with the dealership, the transmission had already been tested and apparently repaired, and outstanding warranty issues had apparently been completed. When the vehicle was returned to the customer many of the outstanding warranty items had not been repaired and the transmission still faults intermittently.

- The customer had then contacted FCA, the independent reviewer and the ACCC to reject the offer as fixing the vehicle was no longer an option, and the redress was not in accordance with the relevant consumer laws.
- As in *Case Study # 2*, FCA stated in their redress letter to this customer:

“Despite FCA having no obligations in respect of your vehicle under the applicable consumer laws, in the spirit of the FCA’s commitment to customer care, it has be requested that the Independent Person determine what resolution you would be entitled to from FCA if it were the importer of your vehicle and therefore had obligations in respect of your vehicle as deemed manufacturer under the applicable laws.”

Quite simply the remedy in that instance for this customer would be the choice of a refund or a replacement vehicle because the vehicle was not of merchantable quality and the manufacturer was aware of a known defect prior to the customer purchasing the vehicle. (Service news bulletin dated 10.06.09 - replace balance shaft, belt and tensioner as required)

The Customer also claims that FCA does have an obligation to provide a remedy, and is seeking either a refund or at least what other customers have been given under the redress program – the cost of renting a vehicle while the car was in the workshop.

These are her reasons:

- The vehicle was manufactured by Fiat in 2008
- Ateco imported and complianced the vehicle in 2009 and did not make the vehicle.
- Fiat bought Chrysler and are now known as Fiat Chrysler Automobiles (FCA).
- As of May 2012 FCA became the factory distributor of the Alfa Romeos in Australia.
- On the 12th July 2012, Fiat Chrysler had provided the customer with an extended 12 month manufacturer’s warranty on top of the original 3 year/100,000 klm manufacturer’s warranty.
- The vehicle was not of merchantable quality. It had at least one known defect prior to delivery to the customer and the vehicle faulted on the day of delivery (30.10.2009).

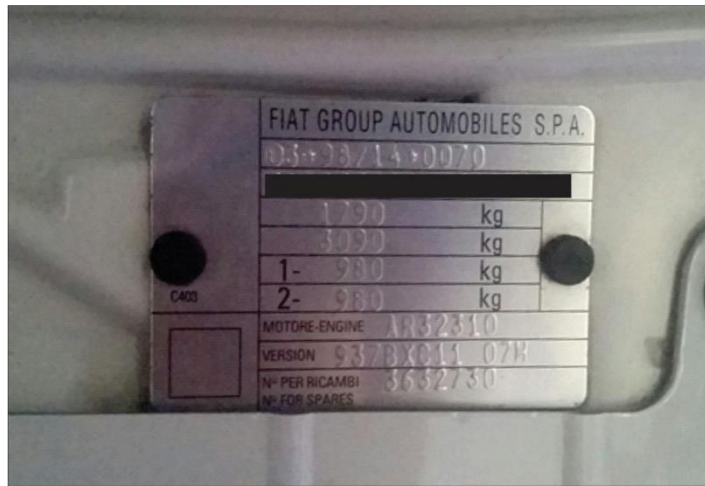
- The Dealership then carried out a repair as per the manufacturer’s service news bulletin dated 10.06.09 - replace balance shaft, belt and tensioner as required). The service bulletin was dated months prior to when the customer took delivery of the vehicle.
- The vehicle has spent over 250 days in the workshop for warranty work and test driving. At one point the gearbox was removed and sent to Sydney for repair. The customer at that point was without her vehicle for a number of weeks.
- The vehicle is not easy to repair, and many repairs have not been durable
- The vehicle is not reliable and has major problems
- FCA Australia and FCA Asia Pacific had become involved organising warranty works on the vehicle with many issues still remaining unresolved from when reported within the three year manufacturer’s warranty period.
- The customer would not have purchased the vehicle if they had known about the extent of the issues
- Remedies by the Customer Redress Program and FCA are not consistent, and in some instances not in accordance with the applicable consumer laws. The customer is of the opinion she has been singled out, discriminated against and given a much lesser remedy than other FCA customers have received eg:
 - Other customers are getting the cost of a rental vehicle for the number of days their vehicle has been in the workshop.
 - “As a gesture of goodwill’, FCA decided to treat another customer’s vehicle under the Customer Redress Program as if it was imported by FCA and not Ateco (*refer Case Study 2*)
 - FCA have provided another customer a refund for an Ateco imported vehicle (documentation available on request)

MINIMUM REDRESS REQUIRED


\$36,250.00

(250 days x \$145 per day for cost for renting a similar vehicle)

- Ms Cicchini is still waiting to be properly compensated in accordance of the relevant consumer laws through this Customer Redress Program.



Vehicle manufactured by Fiat.



12 July 2012

Dear Ms Connie Cicchini

RE: 2009- ALFA ROMEO 147-VEHICLE IDENTIFICATION NUMBER: ZAR [REDACTED]


As a valued customer of Fiat Chrysler Group Australia, we would like to offer you, as a gesture of goodwill and customer service, an extension of the original manufacturer's three year/100,000 kilometre warranty. The extension begins 31 October 2012 on and ending at the earliest of 31 October 2013

This warranty is transferable to any owner who subsequently holds title to the vehicle within this time

This limited extension of the manufacturer's warranty is to reassure you of our continued support and commitment to you and your vehicle. You should retain the original of this letter so that if a warranty claim arises during the extended term you may present it to your authorised Fiat Chrysler dealer as evidence of your warranty extension.

We hope this clarifies the situation and thank you for bring this matter to our attention.

If there is anything we may further assist with then please do not hesitate to contact us on 1300 133 079, Monday to Friday, 08:00 till 17:30 (AEST).



National Service Manager
Fiat Chrysler Group

[REDACTED]

1 [REDACTED], certify this document to be a true copy of the original.

[REDACTED]

Chrysler Australia Pty Ltd trading as Fiat Chrysler Group
437 Plummer Street, Port Melbourne, VIC 3207
PO Box 23267 Docklands VIC 3008
Ph: +61 3 8698 0200 Fax: +61 3 8698 0250
ABN: 23 125 956 905

As the customer was experiencing multiple issues with her vehicle, she requested FCA to provide an extended 12 month manufacturer's warranty.

When this manufacturer's warranty was supplied to the customer, no documentation had been provided to state that it was any different to the original 3 year manufacturer's warranty that was supplied originally with the car.

The only limitation this warranty had was time.

SYDNEY ARTARMON 14/10/2017 - 10:00 SYDNEY ARTARMON 15/10/2017 - 10:00

Top Sellers Small & Medium Sedans MPV/4WD/SUV Premium Vans & Trucks

We have found 13 vehicles Sort results by Price | Size | Automatic
 All rates are inclusive of tax and excluding fuel, deposit & Credit Card fees. Age and means of payment restrictions may apply

MERCEDES BENZ B200 (INC. GPS) or similar

Intermediate Elite



Mileage 200 km per rental

Minimum Age 25 years

- 5
- Automatic Transmission
- 2
- Air Conditioning
- 5
- CO₂ Emission: 127g/km

[More details >](#)

Book now, pay later

AUD 145.00

! Low availability:

★★★★★ Read 83 reviews

Rental car hire rate for similar vehicle.

BMW Group Dealer

Brisbane BMW Brisbane MINI Garage



Company LMM Holdings Pty Ltd ABN 32 448 408 349
Postal Address PO Box 1404, Fortitude Valley, QLD 4006
Address 800 Ann Street, Fortitude Valley, QLD 4006
Telephone (07) 3853 0060 Fax (07) 3252 9870
Email service@brisbanebmw.com.au
Web www.brisbanebmw.com.au



Labour	Operation	Description	Units	Amount
Job# 1	1199000	Job time without allowance for / engine	Tech(s): 122	No Charge
		<p>check vehicle cutting out. connected to diagnostics -no faults logged. vehicle did cut out once -still didn't logged a fault. need to carry out diagnosis for cutting out. suspect crank angle sensor. need to remove inlet manifold to investigate further.</p> <p>Recommendations diagnoses and replacing crank angle sensor . due to age of vehicle may have to replace pcv hoses and manifold gaskets on stripping vehicle. approx \$ 1200.00</p>		
				Total Labour 0.00
				Total Parts 0.00
				Total POL 0.00
				Total Sublet 0.00
				Total Misc 0.00
				Total Tax 0.00
TOTAL AMOUNT INCLUDING GST				Total Invoice 0.00
REFRIGERANT AUTHORISATION # AU00086				

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We have collected your personal information. Our privacy policy available at www.brisbanebmw.com.au or by calling 07 3853 0000 explains how you can access and correct your personal information, how to make a complaint and how we deal with complaints and when we are required to collect particular personal information. We use and disclose your personal information for our business purposes, including sales, aftersales, financial and insurance services, customer care, marketing, research and event invitation. We may disclose it to or 'share it with' vehicle manufacturers or distributors, financiers, insurance providers, agents or brokers or other third parties associated with us, which may be located outside Australia, including Germany. We may contact and communicate with you, including for marketing purposes, either via the telephone, post, facsimile, email or SMS. You can ask us to stop sending you marketing related communications at any time in the future, by a particular means or at all, by calling us on 07 3853 0000 or email us at sales@brisbanebmw.com.au (attention Brisbane BMW).

Attachment 2

<https://www.accc.gov.au/media-release/chrysler-undertakes-to-remedy-customer-service-complaints-following-accc-investigation>

Chrysler undertakes to remedy customer service complaints following ACCC investigation

11 September 2015

Fiat Chrysler Australia (Chrysler) has provided an administrative undertaking to the Australian Competition and Consumer Commission, following an investigation into consumer guarantee complaints concerning vehicle faults and Chrysler's handling of those complaints.

Chrysler's undertaking includes a commitment to establish a consumer redress program, and to review its handling of previous complaints, as well as an Australian Consumer Law (ACL) compliance program which includes a complaints handling system.

Chrysler distributes several vehicle brands in Australia including Jeep, Alfa Romeo, Fiat and Chrysler.

The ACCC received a number of complaints from Chrysler customers concerning vehicle faults and how their complaints were handled by Chrysler and its dealers. The complaints related to various issues including delays in sourcing spare parts and failing to adequately deal with customer complaints.

Chrysler has acknowledged the ACCC's concerns and cooperated with the investigation. Chrysler has advised the ACCC that it has taken a number of steps to improve its aftersales care, particularly complaint handling, to address these concerns.

"The consumer guarantees mandate that vehicles will be fit for purpose, free from defects and as durable as a reasonable consumer would expect. Where the guarantee is not complied with, a consumer will have rights against the supplier and in some cases the manufacturer, who will have to provide a remedy," ACCC Chairman Rod Sims said.

"This means that all car manufacturers and suppliers, including dealers, need to think beyond the initial sale and invest in their aftersales care."

Chrysler's administrative undertaking includes a process where particular affected Chrysler customers can agree to have their previous complaints independently reviewed, with Chrysler committing to implement the remedy recommended by the independent reviewer.

The ACCC is pleased that this program will be available for these customers and will monitor its implementation.

"The ACCC is considering concerns about the motor vehicle industry more generally, with a particular focus on ensuring compliance with the consumer guarantee provisions of the consumer law." Mr Sims said.

Background

Consumer Redress Program

Under the consumer redress program, Chrysler will:

- identify and contact customers who made a complaint to Chrysler about vehicle issues between the period 1 January 2013 and 31 December 2014, and who were refused a particular remedy by Chrysler (other than those customers whose complaints were resolved to their satisfaction or were resolved in a Court or Tribunal);
- offer to have an independent person review their complaint to determine whether the outcome was in accordance with ACL or *Trade Practices Act 1974* (TPA) consumer rights; and
- where a review is conducted and it is determined that the outcome was not in accordance with ACL or TPA consumer rights, provide or procure that a dealer provide a remedy on Chrysler's behalf as recommended by the independent reviewer, which is consistent with those rights.

Affected customers who are not contacted by Chrysler within 60 days should contact Chrysler's Customer Care Assistance Centre on 1300 133 079.

Chrysler will report to the ACCC on the number of reviews undertaken and the outcomes reached.

Consumer guarantees under the ACL

The ACL has introduced a regime of consumer guarantees that applies to products and services bought after 1 January 2011. In relation to motor vehicles, manufacturers and suppliers including dealers, have obligations under these consumer guarantees.

When the problem is minor, the supplier can choose between providing a repair or offering the consumer a replacement or a refund. When there is a major failure, the consumer can reject the vehicle and either choose a refund or a replacement. Consumers can also seek compensation from suppliers or manufacturers. More information is available on the ACCC's website at: [Motor vehicle sales & repairs - an industry guide to the Australian Consumer Law](#).

For products and services bought before 1 January 2011, consumers may still have rights under previous consumer protection laws in the *Trade Practices Act 1974*.

Release number:

MR 174/15

ACCC Infocentre:

Use this form to [make a general enquiry](#).

Media enquiries:

Media team - 1300 138 917

END OF SUBMISSION