

Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433.

Interested Party Response – Objection to the Notification

Email to: adjudication@acc.gov.au

On behalf of Bosch Car Service network, **Bosch Car Service Council** objects to this notification and request that the ACCC revoke this notification because this conduct:

1. has the purpose, effect or likely effect of substantially lessening competition, and
2. in all the circumstances, will not result in likely public benefit which would outweigh the likely public detriment.

Bosch Car Service is an independent automotive repairer franchise network with more than 125 workshops in Australia. Fitting with the slogan of a Bosch Car Service workshop - "For Everything Your Car Needs", the network provides services and repairs to more than 200,000 customers every year across all regions in Australia.

Most of Bosch Car Service workshops have been in business for more than ten years with some long-standing business in operation for over 30 years. Despite the various sizes of different workshops, on average, a Bosch Car Service workshop employs six employees from technicians to front-desk receptionists.

Car owners are already confused about warranty and choice. Dealers are generally fueling this misconception that if you go to an independent repairer, you will void the new car warranty. This extended warranty effectively sanctions and perpetuates this myth.

The overwhelming majority of our customers tell us that when they purchase a new car, they will no longer be able to bring the car to an independent workshop until the end of the warranty period. We have a large number of well-educated and well-informed clients that are all under the impression that a new car means dealer only servicing under the warranty period.

It is not legal to say the using an independent will void the warranty – but if you approve this notification, it will be OK to say that you will void the extended warranty if you use an independent repairer. All of the effort we have put into making consumers aware that they do have choice, will be lost because you will be officially approving a deal that removes choice.

From a healthy competition perspective, Mitsubishi market share is only 7-8%, and on face value that should not affect the whole aftermarket but if ACCC does not revoke the notification it is obvious that other new vehicle manufacturers will follow suit. Other car brands have demonstrated a remarkable ability to replicate each other's offers in the market - same tactics but with a lack of transparency for consumers. If the largest car brands have all of the vehicles serviced by

'authorised' dealers, we will see a lessening of competition because the independent repair sector will be excluded.

If consumers don't have any choice or think that they don't - these car brands will have a monopoly. Vehicle manufacturers could raise prices for parts and repairs for a sustained period, produce lower quality products with no corresponding reduction in price, fail to offer any product variety and lower customer service standards.

From a technical competency perspective, Mitsubishi states that there is a public benefit because under the Notified Warranty, cars are serviced with a "high degree of care and skill" beyond the high degree of care and skill ordinarily provided by independent service providers. However, what is happening today in our Bosch Car Service workshops are entirely on the opposite side.

Most of Bosch Car Service workshops in Australia have invested enormous amount into their workshops to make them in many cases far better equipped than many dealership workshops in both equipment and skills of technicians. For instance, we have a council member who surrounded by several OEM dealers that regularly borrow equipment from the member as these OEM dealers do not have the resources in house.

Our services are delivered with care and skill, and our customers have protections under consumer guarantees. We even provide a nationwide warranty on our services and parts across the Bosch Car Service network in Australia. Furthermore, independent service providers are impartial when it comes to defects diagnosed during servicing and will advise consumers to return their vehicle to the dealership to remedy the defect. Under the extended warranty, the consumer would also face a dilemma where he or she has no other option but to wait for the booking with a dealer. It could potentially cause the consumer to lose their warranty if the dealers cannot cope with the increased demand.

If Mitsubishi is genuinely concerned about the public benefit of ensuring a "high degree of care and skill" in servicing, it would have taken steps to ensure independent service providers had access to repair and servicing data and information. Mitsubishi did not comply with the Voluntary Heads of Agreement to share vehicle related service data with the car owners' repairer of choice. It makes this claim regarding care and skill seem insincere and disingenuous.

Last but not least, the consumer is asked to surrender their right to use an independent repairer for what are quite dubious benefits. The warranty documentation gives a great deal of room to reject most warranty claims.

"LIMITED LIFE WARRANTY ITEMS (12 Months from date of first registration or 20,000 km)

Some components in your vehicle are subject to normal wear and tear. The use of your vehicle can influence the life of these components. Any component subject to regular servicing is covered for 12 months or 20,000 km, whichever comes first."

In fact, some would argue that under the terms of this 'extended' warranty, the consumer rights for remedy are considerably reduced.

There is minimal consumer benefit here, and we would argue that consumers are considerably worse off than not having this extended warranty – but many will act out of fear of losing these so-called additional consumer rights for warranty claims.

We, Bosch Car Service network, as a group of highly technical and consumer-driven independent repairs, sincerely request that ACCC to revoke this notification for the benefit of consumer rights.

Sincerely,



Michael Grubb (Chair)

On behalf of

Bosch Car Service Council AU & NZ

<p>Name: Cathy Shaw</p> <p>Company Name: Bentleigh Automotive Services</p> <p>Date: 07/10/2020</p>	<p>Name: Ash Hames</p> <p>Company Name: Anzac Automotive</p> <p>Date: 07/10/2020</p>
<p>Name: David Vidler</p> <p>Company Name: Seaside Automotive</p> <p>Date: 07/10/2020</p>	<p>Name: Steve Smith</p> <p>Company Name: Petrotechnics</p> <p>Date: 07/10/2020</p>
<p>Name: John Edwards</p> <p>Company Name: John Edwards Automotive</p> <p>Date: 07/10/2020</p>	<p>Name: Darren Spinks</p> <p>Company Name: MacArthur Auto Electrical</p> <p>Date: 07/10/2020</p>
<p>Name: Michael Grubb</p> <p>Company Name: Specialist Auto Group</p> <p>Date: 07/10/2020</p>	