
From: Graham [REDACTED]
Sent: Thursday, 8 October 2020 1:27 PM
To: Adjudication
Subject: Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433
Categories: Submission

Mr Andrew Mahony
adjudication@acc.gov.au

**Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification
RN10000433.
Interested Party Response – Objection to the Notification**

Dear Andrew

I would like to advise of my **objection** to this notification and request that the ACCC revoke this notification.

If this proposal was authorised it would adversely affect our clients' rights to service maintain and customise their vehicle in the fear of voiding their warranty.

We are constantly educating our customers about their rights with new car servicing, when a client informs us they are purchasing or have purchased a new vehicle and they can no longer bring it to our workshop for servicing as they have been informed by the selling dealer that if you go to an independent repairer you will void your new car warranty. We inform them of their statutory rights under the Australian Consumer Law and advise 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.

This proposal will adversely affect our business, a business that has operated providing competitive, friendly, professional vehicle servicing and maintenance to our local Port Adelaide community for over 23years, a business that employs 9 great people, that live and transact in our local community. If the ACCC does not revoke the notification it is obvious that other new vehicle manufacturers will follow suit. If other and potentially all car brands follow suit we will see a reduction of vehicles in our independent workshop which will result in a lack of competition to dealer servicing as the independent repair sector will be excluded. If consumers don't have any choice or think that they don't then manufacturers will have a monopoly.

Mitsubishi states that this will result in cost savings, but how can that be so? Dealership servicing and branded parts are more expensive than an independent workshop, if clients are locked into a 10 year warranty service period then what

guarantees do they have that competitive pricing will be maintained? 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 installing the fear into consumers that they will void their vehicle warranty.

Consumers will therefore pay more for car maintenance and surrender choice in order to achieve what they should already have under the Australian Consumer Law.

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. This statement is not true our services are delivered with care and skill and our customers have protections under consumer guarantees. We provide a warranty on our service and parts. 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.

I can recall on one occasion that a client with a **Mitsubishi Outlander** under manufacturer warranty had a catastrophic transfer case failure whilst on holiday, a transfer case had only previously been installed to that vehicle under warranty due to a common issue. The client was kept waiting for a week in accommodation at the clients expense only to be advised that Mitsubishi would not be repairing under warranty as the vehicle had had 1 service at an independent workshop, on investigation the transfer case was not correctly filled with oil by the dealer technician although they apparently have a "high degree of care and skill" , the interstate dealer agreed Port Adelaide Auto Repairs was a victim of Mitsubishi Motors ability to back away from warranty or installing dealer bad workmanship warranty. Port Adelaide Auto Repairs as a gesture of good faith and customer service warranted the transfer case replacement and got the client on the road again, proving that using an independent repairer still gives you peace of mind.

Consumers already have rights and it is difficult to see what rights they would have that are additional under an extended warranty. The consumer will pay more for scheduled servicing, will pay more for car branded parts and will not receive any warranty benefits beyond their rights under the Australian Consumer Law. In fact, some would argue that under the terms of this 'extended' warranty, the consumer rights for remedy are considerable reduced.

There is very limited consumer benefit here and I 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.

I urge the ACCC to revoke this exclusive dealing notification.

Graham & Josy Tickner and Staff

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