

Wright, Belinda

From: Steve Sorensen Mechanical <sales@ssmech.com.au>
Sent: Friday, 2 October 2020 4:52 PM
To: Adjudication
Subject: Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433.
Interested Party Response – Objection to the Notification

Categories: Submission

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

Interested Party Response – Objection to the Notification

I object 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.

We are a Brisbane based family workshop employing 7 staff, and active in our community for over 25 years.

Our database shows Mitsubishi to make up 9.7% of our active clients, with servicing being the vast majority of the work we see these vehicles for.

Our customers enjoy the benefits of an independent mechanic, as has been well documented through various studies. We strive to provide a tailored service, suited to the customers use of the vehicle, whilst still ensuring the key scheduled items are maintained to the manufacturer engineers' recommendations and to maintain warranty.

It is our experience that dealership servicing is quite rigid, with some service items not being replaced or checked, purely because they do not have a scheduled replacement time. A good example is automatic transmissions. An automatic transmission is expensive to maintain, but much more expensive to repair if it fails. We often see failures once a car is out of warranty due to lack of maintenance. To keep capped priced servicing attractive, often transmission servicing is completely negated from manufacturers schedules which often results in premature failure soon after the warranty period expires. An independent workshop would inspect the transmission fluid at regular intervals and advise when it should be changed to avoid expensive repairs.

Remaining at the forefront of technology is always key, as we are a passionate multi-generation family business. Our son Brendan has run several international training courses, of which often dealership technicians will be attending students, and as such we are confident in our ability to provide professional vehicle maintenance, at a reasonable price in a competitive market.

Time and time again we have customers booking in for servicing, only for us to have to tell them on the day, that if they read the fine print of the extended warranty document they have signed with the selling dealership (from the warranty book often found in glovebox), their vehicle can only be serviced by that dealership, or they will void their extended warranty.

It is clear this information is not relayed to them correctly at the time of signing, as they are often completely unaware of the fact.

It is my belief that Mitsubishi sales staff may continue to engage in this misleading selective information when describing the warranties on offer to potential customers in order to exploit financial gain.

Steve Sorensen
Steve Sorensen Mechanical



Steve Sorensen
Owner/Office Manager, Steve Sorensen Mechanical
phone: 07 3809 2711
address: Unit 1, 7 St Jude Court, Browns Plains, QLD, 4118
web: <https://stevesorensenmechanical.com.au/>
email: sales@ssmech.com.au

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