

Auto-repair price wrangle

By Licardo Prince

A DANDENONG automotive smash repairer has claimed that one of Australia's largest insurance companies has used illegal means to force him to carry out a repair at a reduced price.

"What they've done is restraint of trade," Mr John Pennant, the proprietor of JP Autos, said.

The issue arose when a client brought in a damaged vehicle after receiving a quote for \$4633 and was then quoted \$4562 by JP Autos.

But the client's insurer, AAMI, was unhappy with the amount and sent him to another AAMI-approved insurer who

quoted \$3232. Mr Pennant claims that this quote would have led to an inadequate repair job.

Mr Pennant said under the rules of the policy the client had to accept the lower quote. JP Autos agreed to undertake the work.

"They're not giving the owner his full right to have the best possible job done on his car. If that's not restricting trade, I don't know what is."

AAMI spokesman Mr Michael Kay said the company had acted properly and disagreed that the practice led to sub-standard repairs.

"Our job, and any insurer's job, is to minimise the premium pool and this serves the customer better

in the end," Mr Kay said.

He said repairers who failed to meet approved standards risked losing their AAMI approval.

"We stand behind all our repairs with a lifetime guarantee.

"Any repairer whose work was not up to standard would soon find out just how unhappy we could be."

A spokesman for the insurance regulatory body, Insurance Inquiries and Complaints Ltd, said insurance companies had the upper hand in deciding repairs.

"Because of the wording of the insurance contract, the company basically decides who repairs the car," he said.

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