

OUT came the shorts as the temperature rose

TIME for a cooling ice cream . . .

Panelbeater battles insurance companies

by LOUISE ALMOND

INSURANCE companies are asking panelbeaters to do "sub-standard" repairs on vehicles to save themselves money, claims a Dandenong businessman.

John Pennant, of JP Auto Customs, Bennet St, Dandenong, says he was told by one company to "tap the bonnet of the car down, the owner will never know", and when he refused, the company told him it would no longer authorise him to carry out any further work on its behalf.

Mr Pennant claims that when he also refused to "hide" a paint job, the company ordered him not to prepare quotations on vehicles insured with it and not to accept claim forms from its insured members.

He said: "Insurance companies don't like me because I have been standing up for my customers' rights. I work for quality, not quantity. I have been in this business since 1977 and this is the first time I have been asked to do sub-standard work."

Since the trouble began with insurance companies, Mr Pennant has had office

windows smashed (reported exclusively in The Journal), a fire, a burglary and received bomb threats. More recently a truck attempted to reverse through the reception area of his panel shop.

While he says he cannot prove the incidents are connected, Mr Pennant does have letters from customers describing how an insurance company has told them it will not pay for repairs if they are done by Mr Pennant.

In a signed statement, one customer, whose name has been withheld, said he was told by a woman in the company's claims department the firm "didn't want to use JP Auto any more", but would not say why. The customer also claimed the company told him it would not pay for repairs done by JP Autos.

Claiming the company had "no right" to dictate where a customer's vehicle would be taken for repairs, Mr Pennant carried out the work. So far, the insurance company has denied liability for the costs because it did not authorise repairs.

Mr Pennant also claims

the company has towed cars from his premises to its own repairers.

"They have got no right to use stand-over tactics to frighten customers off, and that is what they are doing," said Mr Pennant.

Mr Pennant is spending thousands of dollars fighting the insurance companies and fears he will be forced to close his business. He said: "I have two choices. I can stick up for my customers or back down, shut my mouth and they will give me work."

"I can keep going for another two or three months, but I am not sure after that. Perhaps after that they will have won."

The claims manager of the RACV, Mr Vernon Speldewinde, said there was more to Mr Pennant's allegations than met the eye. He said it had been known for repairers to save themselves money by using non-genuine parts when an insurer had stipulated genuine parts be used.

He suggested this was the reason repairers complained when insurance companies such as the RACV

asked for a quotation based on non-genuine parts. Mr Speldewinde pointed out that secondhand and approved non-genuine parts were accepted in the industry, and that the RACV would stand by its policy never to use non-genuine parts on a car less than three-years-old.

He said: "We do use secondhand parts and some proven non-genuine parts on older cars. However, 98 per cent of parts used are new or secondhand, with the remaining two per cent being approved non-genuine parts. If he (Mr Pennant) doesn't want to conform to what we do it is his business."

"If a repairer the RACV sends a client to does a body job the cost and large part of the blame will fall back on the insurance company, not the repairer."

Mr Speldewinde said that all RACV repairs carried a lifetime guarantee as long as the car was owned by the same person. He said that although he no knowledge of Mr Pennant's claim that he was instructed to "tap the bonnet down" the RACV was investigating.

Pressures 'awful' says VACC chief

by LOUISE ALMOND

AUTOMOTIVE repairers are continually being frustrated by "awful pressures" to complete jobs for the lowest possible prices, according to the executive director of the Victorian Automobile Chamber of Commerce, Bob Davison.

Speaking following a march through Melbourne by about 500 automotive body repairers, Mr Davison said: "For years insurers have been playing God with repairers' businesses and customers' cars. Many repairers are being forced to work virtually at cost for some insurance companies with the often inappropriate use of non-genuine and secondhand parts."

The march was held in protest at proposed laws which would see cars in need of repair towed to a common yard where the "job" would be auctioned off to the highest bidder.

Mr Davison said the march was a direct result of the "enormous pressures" insurance companies were placing on the industry.

He said: "You have got to realise that pressure on price does lead to pressure on quality. We can accept pressure against price, but we are

not prepared to accept pressure against quality."

Mr Davison's comments support those of Dandenong panelbeater John Pennant, who says he is fighting a personal battle with insurance companies to protect the rights of customers.

Mr Pennant also took part in the march, but while welcoming Mr Davison's comments, said they were made "about seven years too late." He said Mr Davison had known "for years" there were problems in the industry and criticised him for "not doing anything about them."

But Mr Davison maintained the VACC could do nothing unless it was presented with "substantial proof."

When told of Mr Pennant's claim that he was being asked by insurance companies to do sub-standard work, Mr Davison said: "To my knowledge, he has never come to us asking for support in lodging a claim against an insurance company asking him to do such work. If he did, the first thing we would ask for is proof. We are not in the business of supporting empty claims."

Referring to Mr Pennant's alle-

gation he was told to "tap the bonnet down, the owner will never know", Mr Davison said: "We couldn't lend our name to a loose accusation of that sort."

However, Mr Davison made it clear that if Mr Pennant or any other automotive repairer could prove that he had been asked to do a sub-standard job, the VACC "would not hesitate" to offer support in court.

He said: "If I ever get the chance to take on an insurance company in court with proof of poor ethics or performance, I will take it. If Mr Pennant can show substantial proof of what he is talking about then we would be only too happy to support him, but material he has given us has been inconclusive to date."

"The whole climate has been complicated by the economic recession which has made the situation even more bleak than it normally is. Nobody disputes the desirability of fair competition, but unfortunately fairness and concern for the customer does not always come into it. The public has little idea of the fact that not all insurance companies are the same until there is an accident."

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