

Car dispute fix may be closer than you think

Resolving car disputes can be a lengthy and legally complex process. The final report of the Access to Justice Review, released in October 2016, has a solution.

Whether it's travelling to work, school, or the supermarket, having a safe and reliable car is essential for many Victorians, particularly those in regional areas.

When buying a car or getting it repaired, people have rights under the Australian Consumer Law. However, the process to exercise those rights if you have a problem with a car dealer or mechanic at the Victorian Civil and Administrative Tribunal (VCAT) is too hard, too expensive and too slow, leaving many Victorians stranded.

The recent Access to Justice Review by the Victorian Department of Justice examined this problem and recommended that Consumer Affairs Victoria (CAV) should be funded to provide a compulsory conciliation service and free technical assessment.

This recommendation will resolve the key problem in car disputes identified by Consumer Action's legal practice: getting a free, independent expert report at an early stage.

Operating this service will also provide CAV with critical data for compliance and enforcement work, enabling them to identify systemic issues and problem car traders, tackling the problem at its source.

This additional oversight will promote a better industry, and good consumer outcomes.



A car is typically the most important asset in our clients' lives, according to Consumer Action Senior Solicitor Lachlan Edwards, making the ease of resolving car disputes essential to participating fully in work, education and family life.



Although most Victorians own a car, "most people couldn't pull apart an engine or diagnose a mechanical failure themselves," says Edwards. "I know I couldn't, and this creates a real knowledge imbalance,"

This imbalance means it can be hard to resolve a dispute between a consumer and car dealer when a car purchase goes wrong and there are mechanical problems that the dealer refuses to fix.

Edwards, who manages Consumer Action's legal advice line that took 5300 calls last financial year, said that car disputes affect everyone. "It's certainly not just people who buy dodgy used cars who experience this. It's also new cars, quality used cars - Victorians from all walks of life approach us for help".

"However, people with less financial means often struggle more under the weight of the problem because they don't have the money to resolve it, either through paying for assistance, or wearing the cost of getting the car fixed elsewhere."

If you get to VCAT, the vast power imbalance makes a big difference. As Edwards says, "Car dealers know about cars, and can be very persuasive – after all, they sell cars for a living." In the end, most people just give up. "VCAT isn't for everyday people and you've got to do everything yourself."

Edwards makes it clear that the current system is not working. "In other industries you have free, fast, and impartial dispute resolution if you have a problem with your phone, electricity bill or home loan. But for the other big asset in your life, the family car, there is no specialist service that can help."

Fast Facts: Car Disputes

- Over 1 in 5 calls to Consumer Action's legal advice line in 2016/17 were from people with car problems.
- An expert report, typically needed to resolve car disputes in VCAT, can cost as much as \$2000.
- It can take months to get to a final hearing at VCAT.
- The industry-based dispute resolution forum, Domestic Building Dispute Resolution Victoria received over 1000 complaints in the first month of operation in April/May 2017.

