



# Financial Rights

LEGAL CENTRE

FACT SHEET



CALL THE  
INSURANCE  
LAW SERVICE  
ON  
1300 663 464

Financial Rights Legal Centre Inc.  
ABN 40 506 635 273

Fact sheets are information only and should not be relied upon as legal advice. This information only applies to NSW.

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## PROBLEM WITH THE QUALITY OF REPAIRS (ARRANGED BY THE INSURER)

This fact sheet is for information only. It is recommended that you get legal advice about your situation.

### CASE STUDY

Justin's car was damaged in a car accident. Justin claimed on his car insurance for the damage with BIG INSURANCE COMPANY. The insurer approved the claim and his car was fixed at JOE'S SMASH REPAIRER. Justin was unhappy with the quality of the work done on his vehicle. Justin requested BIG INSURANCE COMPANY repair the vehicle to a satisfactory standard.

BIG INSURANCE COMPANY said that they have paid for the repairs and that Justin will have to sort out his issues with the smash repairer directly. Justin wrote to the insurance company's internal dispute resolution section describing what works was unsatisfactory and he also pointed out that the insurer is responsible for the quality of authorised repairs and they must perform the required work. 15 days later the insurance company sent him a letter stating they did not believe the repairs were necessary.

Justin lodged a complaint with the Financial Ombudsman Service. Following a period of mediation the FOS found that insurer had to fix the repair work and Justin vehicle was returned to him in same condition it was prior the crash.

### WHAT CAN I DO IF I AM UNSATISFIED WITH QUALITY OF THE REPAIRS AN INSURANCE COMPANY HAS COMPLETED ON YOUR VEHICLE OR HOUSE?

If you have had repairs done by your insurer and you are unsatisfied with the quality of workmanship or parts used or the timeliness of the work there are steps you can take. Regardless who actually does the work be it the insurer's authorised repairer or a subcontractor the insurance company is responsible for the quality of the repairs.

The General Insurance Code of Practice states that when an insurer has selected and directly authorised a repairer they "will:

- Accept responsibility for the quality of workmanship and materials;
- Handle any complaint about the quality or timeliness of the work or conduct of the repairer as part of our complaints handling process." (Clause 7.20 *General Insurance Code of Practice*)

[www.financialrights.org.au](http://www.financialrights.org.au)



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In general, if repair work to your house or vehicle is not to your satisfaction you may do the following:

1. Request that the insurer fixes the problem.
2. If your insurer refuses to fix the problem lodge a complaint with your insurer's Internal Dispute Resolution Scheme. You can get the contact details for this scheme from [www.fos.org.au](http://www.fos.org.au). In your complaint make sure you clearly outline the reasons for your complaint.
3. Your insurer has 45 days to provide you with written response outlining their decision.
4. If your insurer refuses to fix the repairs or does not respond in 45 days, you can lodge a complaint with the Financial Ombudsman Service Australia. To lodge a claim call FOS on 1800 367 287 (1800 FOS AUS) or visit their website [www.fos.org.au](http://www.fos.org.au) to get the relevant forms.
5. After investigating the matter:
6. If the Financial Ombudsman Service Australia finds in your favour the insurer is obligated to carry out the repairs; or,
7. If the Financial Ombudsman Service Australia finds in favour of the insurer you still have the option of taking the insurer to court – but remember ALWAYS GET LEGAL ADVICE BEFORE GOING TO COURT!

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## IMPORTANT: YOUR TIME LIMIT TO LODGE A COMPLAINT IN FOS WILL EXPIRE ON THE EARLIEST OF;

- **2 years** from the date you receive a letter rejecting your claim from the insurer's Internal Dispute Resolution Department; or
- **6 years** from when you first became aware or should have reasonably become aware of your loss (e.g within 6 years from the date of the motor vehicle accident, theft or flood)

**NOTE: If you have received a letter of rejection from the insurer's IDR department, the two year time limit will apply.**

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## WHAT IF I HAVE MY CAR REPAIRED BY THE OTHER DRIVER'S INSURANCE COMPANY?

Sometimes the other driver's insurance company will offer to repair your car for you. **Always get legal advice prior to accepting such an offer** because if you are unhappy with the repairs you do not have access to the Financial Ombudsman Service and your only option will be to take the other driver's insurance company to court – and this can be expensive and risky!

## NEED SOME MORE HELP?

See [Fact Sheet: Getting Help](#) for a list of additional resources.

*Last Updated: February 2017*

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