

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

## Interested Party Response – Objection to the Notification

Email to: [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

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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.

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[Anthony's Car & Head Centre is in Bega NSW](#)

[We have been in business for over 30 years and specialize in European vehicles, but we work on everything. Mitsubishi's are certainly a part of our car park. There are 6 employees in our business and we have produced 6 tradesman and are now on our 7<sup>th</sup> apprentice](#)

And then select arguments from the table below – you can just use one if you prefer and we recommend that you use no more than three.

Make these your own – change the language, give examples (if you can)

You do not have to have a lengthy email – you can be concise and simple – no need to write a huge document. We have a number of submissions under development and the important issue here is that your submission is true, that it's authentic – that it feels personal to your experience.

You could ignore the table entirely and use an anecdote – you may have a terrific example of a customer that had several interactions with a dealer over a legitimate and clear 'extended' warranty claim – a claim that was rejected until you intervened and provided technical and moral support – use that example if you feel that works better for you.

Please send a copy bcc your submissions to [REDACTED].

We are also happy to review your submission before you submit it: [REDACTED] or [REDACTED]

Issue	Content	Notes
<p>Car owners are already confused about warranty and choice.</p> <p>Dealers are generally fueling this misconception that if you go to an independent repairer you will void the new car warranty.</p> <p>This extended warranty effectively sanctions and perpetuates this myth.</p>	<p>The overwhelming majority of my customers tell me that when they purchase a new car they will no longer be able to bring the car to an independent workshop until the end of the warranty period. I have a large number of well-educated and well-informed clients that are all under the impression that a new car means dealer only servicing for the next four to five years.</p>	<p>It is not legal to say the using an independent will <u>void the warranty</u> – but if you approve this notification it will be OK to say that you will <u>void the extended warranty</u> if you use an independent repairer. All of the effort we have put into making consumers aware that they do have choice, will be lost because you will be officially approving a deal that removes choice.</p>
<p>Vehicle manufacturers focus on warranty instead of consumer guarantee obligations and consumers are confused between warranties and consumer guarantees due to minimal focus on consumer guarantees and rights that are automatic under the Australian Consumer Law.</p>	<p>There is a lot of confusion and fatigue when purchasing a vehicle, limited information on consumer guarantees at the time of purchase and the impression given to the consumer regarding servicing and warranties at the time of sale is misleading.</p>	<p>Consumers already have rights and it is difficult to see what rights they would have that are additional under an extended warranty – even the term ‘extended’ is misleading. Given the existing level of confusion and the significant power imbalance, this Notification will fuel the problem and not support consumer rights and the consumers’ knowledge of their rights.</p>

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<p>Mitsubishi market share is only 7-8%, and on face value that should not affect the whole aftermarket but if ACCC does not revoke the notification it is obvious that other new vehicle manufacturers will follow suit.</p>	<p>Other car brands have demonstrated a remarkable ability to replicate each other's offers in the market. Same tactics but with a lack of transparency for consumers.</p> <p>If the largest car brands have all of the vehicles serviced by 'authorised' dealers, we will see a lessening of competition because the independent repair sector will be excluded.</p>	<p>If consumers don't have any choice or think that they don't - These car brands will have a monopoly. Vehicle manufacturers could raise prices for parts and repairs for a sustained period, produce lower quality products with no corresponding reduction in price, fail to offer any product variety and lower customer service standards.</p>
<p>Mitsubishi does not mention how this notification will affect the market for the supply of aftermarket parts.</p>	<p>When consumers go to the authorised dealership – they are not offered a choice of parts. We offer choice: car company branded, independent and reconditioned parts.</p>	<p>A choice of parts provides price competition and maintains car maintenance affordability. If all car owners go to the dealers – we have no need for generic parts, superior parts or the creation of new and innovative accessories and auto components.</p>
<p>Mitsubishi states that this will be result in cost savings. This is not true.</p>	<p>The consumer already has the right to purchase a vehicle free of defects. They should not have to surrender anything for that right.</p>	<p>Dealership servicing and branded parts are more expensive than the independent repair sector. Consumer will therefore pay more for car maintenance and surrender choice in order to achieve what they should already have under the Australian Consumer Law.</p>

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<p>Mitsubishi states that there is a public benefit because under the Notified Warranty, cars are serviced with a “high degree of care and skill” beyond the high degree of care and skill ordinarily provided by independent service providers.</p>	<p>Not true – our services are delivered with care and skill and our customers have protections under consumer guarantees. We provide a warranty on our service and parts.</p>	<p>Independent service providers are impartial when it comes to defects diagnosed during servicing and will advise consumers to return their vehicle to the dealership to remedy the defect.</p>
<p>If Mitsubishi is genuinely concerned about the public benefit of ensuring a “high degree of care and skill” in servicing, it would have taken steps to ensure independent service providers had access to repair and servicing data and information.</p>	<p>Mitsubishi did not comply with the Voluntary Heads of Agreement to share vehicle related service data with the car owners’ repairer of choice. This claim regarding care and skill seems insincere and disingenuous.</p>	<p>Dealers use repair and service to contribute over 70% to the profit of the dealership. Capturing consumers for 10 years is likely to be driven by a commercial motive.</p>
<p>Unlike other extended warranties, the consumer does not exercise any choice or discretion to purchase the Notified Warranty because the consumer does not pay for this so called ‘added’ benefit.</p>	<p>When the extended warranty is ‘free’ there is greater potential for the consumer to be confused about the terms of the warranty or misled in relation to their rights.</p>	<p>There is a lack of transparency about whether the price of the ‘extended’ warranty is actually embedded in the price of the vehicle.</p>

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<p>The consumer is asked to surrender their right to use an independent repairer for what are quite dubious benefits. The warranty documentation gives a great deal of room to reject most warranty claims.</p> <p>LIMITED LIFE WARRANTY ITEMS (12 Months from date of first registration or 20,000 km)</p> <p>Some components in your vehicle are subject to normal wear and tear. The use of your vehicle can influence the life of these components. Any component subject to regular servicing is covered for 12 months or 20,000 km, whichever comes first.</p>	<p>The limited Life Warranty can be interpreted to exempt any mechanical component that falls under the regular service schedule including any powertrain or driveline component after 20000 kms or 12 months, should it fail.</p> <p>This point alone gives Mitsubishi a reason to reject warranty for the failure of any serviceable component after 12mths/20k, or in real terms, after the 1<sup>st</sup> 15000 km service.</p> <p>The consumer will pay more for scheduled servicing, will pay more for car branded parts and will not receive any warranty benefits beyond their rights under the ACL.</p>	<p>In fact, some would argue that under the terms of this 'extended' warranty, the consumer rights for remedy are considerable reduced. There is very limited consumer benefit here and I would argue that consumers are considerable worse off than not having this extended warranty – but many will act out of fear of losing these so-called additional consumer rights for warranty claims.</p>