

Publication	New Straits Times	Section/Page No.	Letters/Pg.28
Date	Friday, 10 th September 2010	Lead Article	Yes
Headline	Need For Clear Rules		

Motor repairs

Need for clear rules

WE write in response to the letter from C.M.S.D. ("Who looks out for us?" — NST, Sept 6).

As a body which represents more than 2,700 workshops throughout the country, the Federation of Automotive Workshop Owners' Association of Malaysia (Fawoam) would like to address some of the points raised by the writer.

Although we empathise with his plight, it is important for vehicle owners to understand that in most cases, workshops have no say when it comes to determining whether a vehicle that has been involved in an accident should be repaired or declared a "total loss".

This discretion lies solely in the hands of the insurance adjuster and insurance companies.

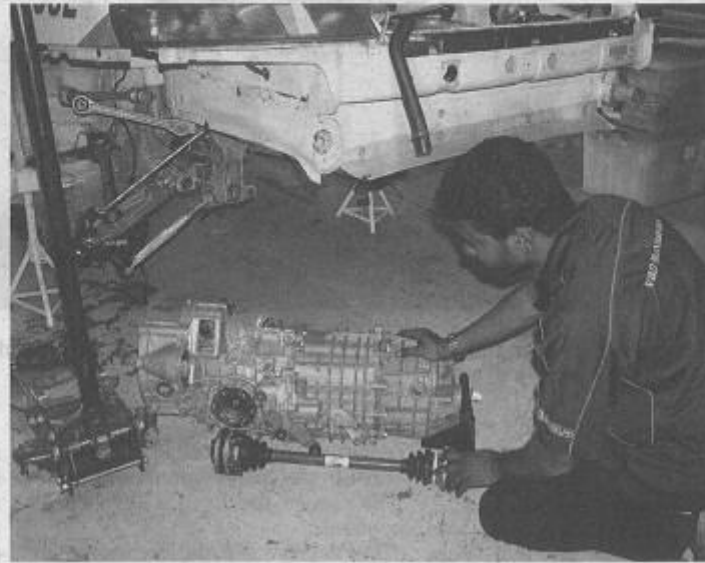
There have been many cases where workshops feel that a car is so badly wrecked that it is beyond repair but some adjusters and insurance companies insist it should be repaired.

In such circumstances, the cost of repairs would be extremely high. Yet, some insurers slash prices quoted by workshops.

It is important for car owners to know that:

- When a car is involved in a collision and is sent to a workshop, the choice of workshop is based on the insurer's panel. Often, a customer has little say on the matter.

- In cases of repairs involving collision and insurance claims, workshops are "contractors" or service providers to insurance companies, as payment comes from them. Hence, we are answerable to insurers and have to follow their instructions. Therefore, we may not be able to fulfil car owners' requests, if these go against the insurers'.



Workshops may recommend that badly-damaged parts be replaced but insurance companies may insist that they be repaired instead.

- Workshops provide a comprehensive quote for repairs. Quotes are based on prices for parts listed on the Motordata Research Consortium (MRC) and the e-claims system. These quotes are then sent to the insurer. In most cases, these are ignored. "Price slashing", which may be arbitrary, can knock off 30 per cent from the quotes. When claims are excessively discounted, the workshop suffers and, ultimately, the consumer suffers, too.

- There have been allegations of workshops charging exorbitant rates for car repairs. In the case of collision repairs, most workshops will provide estimates based on current part prices and labour repair time following the standards set by the MRC and the Thatcham Times System.

It is at the insurer's discretion to approve the amount or lower the

amount. Hence, some insurers apply discounts, making it seem like workshops are inflating prices. Many do not realise these excessive "discounts" mean that the workshops would be unable to afford original parts.

- There are also cases where certain parts have been badly damaged and workshops recommend their replacement. However, some insurance companies ignore such advice and instruct workshops to repair the parts concerned. This may put a car owner at risk as repair work may be superficial. It also does not guarantee safety of drivers should the car be involved in another accident.

- Workshops are often accused of taking too long to repair collision-damaged vehicles. According to regulations set by Bank Negara, insurers have to approve

claims within 14 days of receipt of claims, complete with all necessary documentation and supporting evidence.

Unfortunately, some insurance companies take a long time to process the claims. Workshops are unable to start work without final approval from them. This is one of the causes of delays.

In the past, we have had complaints about our services and many allegations of cheat and fraud. While we cannot deny there are a few black sheep in the industry, it is unfair to tar all workshops and mechanics with the same brush.

There is, at present, a void in laws governing practices and prices in the industry. Fawoam has initiated steps to help address this void.

To this end, Fawoam, together with other industry players, has spearheaded meetings with Bank Negara and other relevant government agencies. It is hoped that a clear set of regulations will be in place so that consumers' rights and those of workshop operators are protected.

We hope the public will understand that as service providers, the hands of workshop owners are often tied by circumstances.

Workshop owners strive to do their best to ensure that vehicle owners are satisfied with their work.

We recognise that customer satisfaction equals more business. To this end, we will support any move by the authorities to look into regulations to set standards for the industry that will ultimately benefit consumers.

KONG WAI KWONG
for Fawoam
Kuala Lumpur