

October 3, 2016

Standing Committee on Families and Communities

c/o Committee Clerk
3rd Floor
9820 107 Street
Edmonton AB T5K 1E7

RE: Review of Bill 203 – Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016

Thank you for the invitation to participate in the review of this bill.

57.2

We believe it is an industry standard in the Auto Body Repair industry to provide free, written estimates prior to repairs.

- (1) “No repairer shall charge a consumer for any work performed on or repairs done to a motor vehicle unless the repairer first gives the consumer an estimate...”

Customers typically sign an “authorization to repair” their vehicle or verbally or via email provide an authorization to repair if they cannot personally attend the location to sign the authorization to repair, (57.4). Once a consumer authorizes repair, isn’t repair authorized?

57.3

- (1) (b) “that (estimate) fee does not exceed any maximum amount prescribed by the regulations.”

It’s not clear what that maximum amount is, or where one might find the maximum amount in this document.

57.5

Based on safety issues, estimates in the Auto Body Repair industry are typically provided with the following provision: “POSSIBLE HIDDEN DAMAGE TO BE DETERMINED AT TIME OF REPAIR.” Estimates are provided for damage that can be immediately viewed without tearing down the vehicle in the event that the vehicle is deemed unsafe to replace a damaged part, therefore rendering the vehicle un-driveable. This makes it a commonality that final work exceeds the original estimate by more than 10%. Because many repair costs are covered by drivers’ insurance, it can take weeks before an insurance company accepts liability for the repair, which will mean stagnant vehicles will take up valuable production space in the shop as well as increased costs borne by insurance companies for rental vehicles for their insureds. Because vehicles are costly, vehicle repairs are often costly. When we provide estimates that are not covered by insurance, it often takes the customer some time to decide when and how they will be able to pay for repairs. If we have to tear down their vehicle to provide a comprehensive *quote* (not an *estimate*) that will meet this 10% criteria, and it is then deemed unsafe (or unable) to put back together using the damaged parts, that vehicle has the potential to sit in our shop for months without any assurance of compensation for the shop. In addition, at least 2X per year

suppliers increase their pricing without providing new price listing in advance. There are many reasons why a final invoice will exceed 10% of an original estimate. To deem all price increases to be illegitimate is an unrealistic and very narrow view of business reality.

57.6

“If authorization.....is not given in writing, the authorization is not effective unless it is recorded in a manner as prescribed by the regulations.”

Not clear exactly what is the “manner” prescribed by the regulations.

57.7

We do our utmost to re-acquire authorization after we find additional repairs are necessary. There are a couple of scenarios which can make this problematic. Many people leave their vehicle for repairs while they go on vacation or are away for other reasons, making it easier for them to live without their vehicle for the duration of repairs. Understandably, this can make getting re-authorization difficult on these occasions. Waiting for their return interferes with business productivity. This is why we always stress that we may run into hidden damage and do the best we can to prepare our customers if we suspect it may be more than the estimate. Also, in the event that a customer does not authorize the additional repair and not doing the additional repair makes the vehicle unworthy according to Transport Canada standards, do you have a suggestion as to how to proceed in that event? Again, having a vehicle sit on the production floor that we cannot get authorization for repair and cannot re-assemble due to Transport Canada requirements, will negatively impact business viability. Again, not all estimate overages are illegitimate.

57.8

Unclear what, “the information” is or the location prescribed by the regulations. Requires clarification.

57.9

Most auto body parts do not come in a container, nor are containers made to hold such items as hoods, roofs, fenders, bumpers. Not certain what the wisdom is behind this one, but it seems ill thought out. Most body damaged parts do not fit on the interior of a vehicle, therefore would require transport, which cost would have to be borne by the consumer. Also, we make every effort to dispose of our damaged parts in an environmentally responsible manner, using recycling vendors in most scenarios. The everyday consumer may not have access to this type of service, and again, would require transport at the cost of the consumer. The alternative may well be increased landfill sites.

57.11

Our warranty is superior to the warranty statement in (1).

The Auto Body Repair industry is already heavily controlled by the insurance industry. That is, it is the insurance industry that determines pricing, including price capping, regardless of cost increases to the Auto Body Repair facility. In addition, it is the insurance companies who set up the estimating systems and require the Auto Body Repair facility to both pay for and use their systems, sometimes regardless whether the parts, materials and labor are adequate for the type of repair.

While I’m certain there are people who do get taken advantage of, which no one likes, it seems as if it would be better to educate consumers than punish ethical vendors with unneeded and cumbersome

legislation, of which we already have more than enough. We'd be more than happy to participate in the education of consumers to empower them to make sound decisions when it comes to the repair of their vehicles. We would love to have a conversation about what that would look like. Authentic protection comes from empowered education, not legislation.

Please feel free to contact us if you have any questions.

Best regards,

Patricia Loff & Bernie De Schutter

Bullock's Auto Body Ltd

425 Stafford Drive N

Lethbridge AB T1H 2A7

403-329-1245

