

## Submission on Improving consumer guarantees and supplier indemnification provisions under the Australian Consumer Law

My wife and I are self-funded retirees.

### Our Perspective:

We purchased a Hinterland Tourer 20 caravan on 10 August 2020 from Hinterland Caravans, Gold Coast, 90 Kortum Drive, Burleigh Heads, Queensland. ABN:44 108 481 643. The caravan was manufactured by Domain Caravans, 1 – 5 Failla Avenue, Campbellfield, VIC 3061

It was advertised as “The Touring series boasts Top of the Range Features at an extremely affordable price”. Our purchase price was \$56,000.

The caravan has a 2 year warranty.

When we looked at the caravan, the compliance plate displayed a Tare weight of 2100kg and an ATM of 3160kg. I advised that my vehicle had a maximum ATM of 2500kg. Despite the salesman stating “just because a car has speedo that goes up to 200kph doesn’t mean the cars doing 200kph”, I insisted the plate needed to be replaced with the correct ATM displayed. Despite my numerous follow ups, we did not get the revised plate until December, after the 3 month service.

We have had a considerable number of defects and issues over the last 18 months. The primary ones being:

- There was a water leak inside the van, trickling down the interior wall lining from the junction of the overhead cupboards, above the light fitting just in front of the entrance door. Photos available.
- The shower leaks, through the base onto the plywood floor. Water seeps out from under the shower when it is being used and water obviously is accumulating under the shower as it streams out when the van is moved. Photos available.
- On an extended trip in July, an incorrect fitting on the water supply line to the toilet burst flooding the ensuite and into the van as far as the end of the bench and poured out the entrance door. We estimate that the flooding, which occurred during the night, was probably undetected for about 3 ½ hours. A smooth stemmed elbow had been connected to the plastic pipe instead of the proper barbed fitting. Photos available.
- The gas fridge stopped working the first time we used it on a trip. Hinterland were of no assistance telling us to bring it in for repairs or contact Dometic. I was able to contact a local, authorised repairer. The gas supply wand was bent/installed incorrectly.
- There is a substantial gap around the outer edges of the insect screens meaning they are not insect proof at all. We have had plagues of insects invade the van at night when the lights are on. Photos available.
- There were also substantial gaps around the screen entrance door. Hinterland has partially addressed this by slapping on foam tape. Photos available.
- The roof exterior panel is paper thin fibreglass which is so buckled that water ponds during rainfall, leading to possible leaks. The panel appears to be held on by silicone. The majority of the roof top appliances appear to be held on by thick beads of silicone which will of course deteriorate over time. Photos available.
- The stereo speakers distorted so badly I replaced them but the fault appears to be in the ceiling structure which vibrates so badly even at low volume (level 5) that the stereo is

unusable. The stereo is an obscure brand, there was no handbook supplied and I cannot even find a reference to it on line, let alone any instructions on how to use it.

- Some of the cupboard doors are misaligned and either rub against each other or do not close properly.
- The entrance door does not appear to be aligned properly and doesn't mesh correctly with the latches. The keyed latch doesn't always unlock cleanly and has to be "worked" to be released.
- Both the aluminium framed doors to the ensuite and shower are significantly out of square.
- The keyed locks on the drop down picnic table also stick and jamb.
- The trim rings around the ceiling lights regularly fall off.

Overall, we're very disappointed in the standard of the fittings and the finish.

Hinterland were notified of the water leaks and other faults when the van was returned for the 3 month service in November 2020. Despite being with their Service Centre for approximately 4 weeks, the shower leak(s), ensuite and shower doors, and a number of other issues were not rectified. The van was returned again, twice in early 2021, still these issues were not rectified.

On 22<sup>nd</sup> September 2021, we returned the van to Hinterland and met with the Service Manager and the Sales Manager. We handed them a detailed list of all the defects and faults. They undertook to have the faults remedied. On 29<sup>th</sup> September, we were advised the caravan was going to be trucked back to Domain in Melbourne and "it would probably be about 2 weeks before (Hinterland) got it back".

On 9<sup>th</sup> November we were informed by Hinterland the van had finally (after 7 weeks) been returned from Domain but had been damaged. Hinterland undertook to have it repaired.

We were informed on the 13<sup>th</sup> December that those repairs had been completed and the van was ready for us to pick up. I specifically asked if all the defects and faults on our list had been repaired/remedied. The Service Manager assured me he had inspected the caravan and everything had been repaired/remedied.

We went to pick up the caravan 2 days later and the obvious defects, the out of square ensuite and shower doors, faulty entrance door and cupboard doors had not been replaced or repaired. We refused to take possession of the caravan until the repairs were completed properly.

As at 9 February 2022, our caravan is still with Hinterland.

This debacle has been going on for 18 months and the van has now been returned to Hinterland four times to have faults rectified. We have been without our van, currently for nearly 5 months, and approximately 7 months in total, have had to cancel travel plans and bookings, whilst still outlaying for insurance, registration etc.

We are disgusted in the lack of service and customer care from Hinterland and extremely disappointed in the quality of the van billed as "Top of the Range Features at an extremely affordable price". Throughout this protracted process they have not responded to the defects, at best misled us, and totally failed to keep us informed. Almost always, we have had to contact them to find out if there has been any progress.

We have sunk a significant sum from our superannuation into the caravan and instead of being able to enjoy it, it has been 18 months of stress and anxiety which has had a detrimental effect on our health.

The shower has leaked from the onset, and there was a leak down the inside of the walls which may still be occurring but not seeping through to the inside. We are very concerned that the water leaks have damaged the plywood floor and meranti timber frame in particular and that damage will not manifest itself until after the van is out of warranty.

### **Submission 1:**

The current Australian Consumer Law does not adequately protect consumers. The ACCC definitions of what is a major problem:

- it has a problem that would have stopped someone from buying it if they'd known about it
  - it has multiple minor problems that, when taken as a whole, would have stopped someone from buying it if they'd known about them
  - it is significantly different from the sample or description
  - it is substantially unfit for its common purpose and can't easily be fixed within a reasonable time
  - it doesn't do what you asked for and can't easily be fixed within a reasonable time; or
  - it is unsafe.
- Are too vague and so open to interpretation that caravan suppliers/manufacturers don't have any onus to deal with defects/complaints as consumers are forced to take legal action for any remedy. Unscrupulous suppliers/manufacturers will simply fob consumers off until they take legal action, which can be very expensive, or simply give up.

In our instance, we referred the matter to the Queensland Office of Fair Trade who made a representation on our behalf to Hinterland Caravans in an effort to resolve the matter through conciliation. The OFT outcome was:

"As advised in earlier correspondence, the OFT cannot force a trader to give you a refund.

Unfortunately, this means I am unable to assist you any further, and must close your complaint with us. If you wish to pursue your complaint further, you may choose to:

- seek independent legal advice to ascertain whether you can,
- take action in the Queensland Civil and Administrative Tribunal (QCAT)"

I assume the first option meant take legal action to obtain a refund, which of course can be expensive.

A referral to QCAT costs \$380 in our instance and the QCAT website currently advises a 6.4 month wait time.

ACL requires amendment to better define "Major Problem" as does "reasonable time" for repairs to be made, so a consumers right to refund or replacement is not ambiguous.

### **Submission 2:**

The proposal to indemnify suppliers is only going to exacerbate the current situation. There must be an onus on suppliers to take responsibility for the products they on sell.

- a. Suppliers at least purport to be “experts” or experienced in caravans so they should know the quality of the products they sell, down to individual caravans. Currently, in our instance and many similar reported instances, the supplier simply shovels the product out the door with no onus to inspect them for faults or defects.
- b. Indemnifying suppliers will only encourage other unscrupulous activities such as selling caravans with a stated ATM exceeding the maximum of the purchaser’s vehicle – as happened with us.

### **Submission 3:**

The warranty period requires legislating to compel suppliers and manufacturers to give a warranty commensurate with the cost of the caravan. In our instance, a caravan in the \$55-66,000 range has a warranty of 2 years compared to motor vehicles costing substantially less having warranties of 5-7 years.

### **Submission 4:**

The root cause of cause of the issues of quality and durability of caravans in general needs to be addressed. The Australian caravan industry currently appears to be almost self regulated. In an industry where a mid range caravan now costs around \$70,000 and many examples are upwards of \$100,000, consumers need protection commensurate with their outlay.

Although unpowered, being a vehicle towed on public roads, there is a considerable safety aspect, with an Aggregate Trailer Mass commonly between 2500kg and 3500kg,

Protection of consumer rights by regulating the caravan industry to ensure only qualified people undertake trades based work and there is a system of quality control will also address safety aspects.

Many of the manufacturers are RVMAP accredited. The Caravan Industry Association of Australia refuses to disendorse manufacturers that have been reported to them as repeat offenders. RVMAP accreditation purports to be a safeguard for consumers but in reality appears to be totally self serving.

The role of any industry body purporting to be an accreditor within the industry requires legislating to ensure regulation does occur. Example, x number of defined major problems, accreditation is suspended and published on the group website so consumers have ready access to evaluate manufacturers. Similarly, y strikes and accreditation is cancelled.

### **Submission 5:**

ACL should contain provisions relating to warranty compliance and servicing. We were advised our caravan had to be serviced by the supplier to maintain the warranty. This form of constraint enables the supplier to fix their own service costs without being competitive with other, equally qualified servicers.

We were quoted \$450 for an annual service, compared to the \$240 fixed price servicing on my four wheel drive vehicle. Obviously, a caravan (as distinct from a motorhome too) has no engine, transmission and other drive train, so the cost of servicing appears to be price gouging.

Graeme Bertenshaw

