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04 August 2014

Feature Articles

Double-Dipping- at the hands of a Rental Car Operator

Have you ever hired a rental car and got into an accident leaving you with a huge bill? Certainly, it is an unpleasant experience especially when you are holidaying in Fiji.

What is more awful is when you have not caused the accident but are made to pay for it, especially without your knowledge or consent.

We are filled with thriving rental companies, providing a range of service. Some companies operate on a big scale while some provide cheapest vehicles on rates as low as \$50 per day.

While the rates may look enticing, the terms/conditions they offer their customers are highly questionable. Some unscrupulous rental companies pay no heed to 'fair deal' or 'good business practice'. One such case which shows total disregard of business ethics is of a couple who came to Fiji for a holiday and hired a rental car from a Nadi-based rental company. Eventually they were involved in an accident with no fault of theirs.

They paid \$1,455.20 to the rental company for 15 days. However, their usage for the vehicle was short lived due to the accident.

The rented vehicle was bumped into by two other vehicles. The police investigations showed that the third vehicle owned by a cruise company was at fault. As a result, the driver of the cruise company was charged for careless driving. The cruise company agreed to pay for the damage caused to the rental car via insurance.

However, when the insurance broker contacted the rental company to confirm that they will pay for the repair costs, the rental company refused to co-operate.

Instead, the rental company used a manual sales voucher and deducted \$2,625 as excess fees from the couple's Visa card without their consent or knowledge. The rental company repaired the vehicle without following the standard insurance claim procedure.

The couple were not aware of the deduction until they read their credit card account statement back in their country. In total, \$4,080.20 was deducted by the rental company. The rental company also deducted a total sum of \$1,455.20 for the full 15 days usage, although the vehicle was used for 1 day. They were disappointed and sought the Council's assistance on the issue.

The Council wrote to the rental car company requesting them to reimburse the unauthorized deductions. However, the rental company again refused to co-operate.

The Council then wrote to the Reserve Bank of Fiji being the regulator of the insurance industry, seeking its intervention in obtaining information from the rental car company's insurance firm on the insurance excess fees. The Council was of the view that the excess fee cannot be as high as \$2,625 that was charged to the couple.

RBF advised the Council that customer confidentiality was paramount and such information cannot be obtained without the approval of the rental car company in question.

The Council had no option but to refer the case to the Fiji Commerce Commission.

Sadly, such companies paint a bad picture about Fiji especially when tourists are involved. Like any other business, rental car operators must improve their services by **disclosing accurate information and putting in place positive approaches to solving customer complaints.**

The Council has received 53 complaints over the past six years concerning rental car companies who had breached consumer rights at one point or another.