

1. Methodology

- a. Whilst the sample is small the commission will be only too well aware that a small sample can have a high level of confidence if the variation in the population is small.
- b. It is disappointing that the stage 2 sample is so much smaller than stage 1.
- c. It is very disappointing that in stage 2 there is no distinction between insurers and CMC's.
- d. The level of complaints, rectification and poor repairs cannot (in our view) possibly be replicated across the entire industry, the sample must be skewed and not representative.
- e. This in no way diminishes the issues raised.

2. Results

- a. The results are clear. The standards of repair in the insurance industry are below that which customers have the right to expect. The sample may not be representative but there is clearly a major problem.
- b. The basic principle of insurance and litigation is that the not at fault party should be put back into the position they were before the negligent act, this does not appear to be the case.
- c. The poor standards of repair have a direct financial impact on the consumer. The second largest asset they probably own is worth less after the accident repair. It would be highly instructive to ask MSXI what the average diminution in value was on the cars examined. If this figure were multiplied up it will almost certainly dwarf the potential harm suggested (but not evidenced or admitted) in ToH 1 and 2.
- d. Along with clear evidence that consumers are not informed of their rights by the At Fault insurer (130628 survey Fig 3.27) are being deprived of their excess (130628 survey fig 3.30) the CC has uncovered real harm inflicted by At Fault insurers on non-fault accident victims as opposed to the theoretical harm that is the focus of ToH 1 and 2.

3. Conclusions

- a. In the pursuit of minimising claims costs the insurance industry has extracted every last ounce of value out of repairers so there is no margin for them to do a proper job for the customer. (See comments of Alan Gilbert in giving evidence to the commission in round table discussions 130717 p41 line 9).
- b. The level of rectification work shown in the report (no paragraph numbers or figure numbers so hard to cross refer but it appears to be slide 23 of the presentation) is very high indeed at 48%. We accept that jobs were selected

that would make fault identification more obvious but it is still remarkably high as the report concedes. We can compare this to the levels of rectification in the Helphire approved network which was 0.28%. 171 times less than that revealed in this survey (Provided to the CC in response to Q 19 of the second questionnaire¹)

- c. The repairs as performed by the client's insurer were significantly better than those in the captured repairs. In the supply of TRV's the commission chose to underplay the significantly lower service and satisfaction rates of customers where the TRV was supplied by the at fault insurer claiming that the At Fault insurer was 'more effective' at assessing the need of the customer. This clear, objective and indisputable evidence of the lengths that At Fault insurers will go to in order to avoid the consequences of their insured's negligence can surely not be treated with the same 'sang froid'. One of the remedies under consideration is to place the innocent victims of non-fault accidents at the disposal of the at-fault insurer. This evidence must surely make that concept entirely untenable.

Alan Gilbert
Group Technical Director
Helphire Group plc
29th November 2013

¹ I noted that in the questionnaire response I missed out the decimal point in the percentages. Should have been obvious from the numbers of rectification incidents. Correct figures below

Year	Rectifications	% of repairs
2010	30	0.25%
2011	15	0.32%
2012	32	0.26%