



CAR RENTAL

CODE OF PRACTICE

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1 Introduction

- 1.1 The Australian Finance Industry Association (**AFIA**) – Fleet & Rental Division is the Australian body for companies engaged in vehicle rental, leasing and fleet management. Membership of AFIA assures customers they can expect the highest level of professionalism and integrity when using an AFIA member.
- 1.2 This Code of Practice applies to AFIA members in the Car Rental Industry whose business is the short-term daily hire of vehicles from fixed locations. The Code sets out the standards AFIA expects its Rental Group members to achieve in all aspects of the renting of their vehicles.
- 1.3 AFIA promotes open, fair and honest dealings with consumers and all AFIA members undertake to transact their business:
 - (a) in such a manner that will reflect credit on that member and advance the standing of the Car Rental Industry;
 - (b) fairly, reasonably and honestly and encourage such conduct by their suppliers, agents, and others in the Car Rental Industry; and
 - (c) with competence, care and prudence, ensuring their due compliance with relevant established legal, legislative, accounting and commercial requirements.
- 1.4 This Code sets out the minimum standards of compliance by AFIA Rental Group members in:
 - (a) Vehicle damage recording procedures;
 - (b) Credit card charging practices;
 - (c) Damage waiver or coverage products;
 - (d) Pricing practices;
 - (e) Unfair contract terms; and
 - (f) Dispute resolution procedures.



- 1.5 All AFIA Rental Group members who have adopted the Code commit to:
- (a) upholding the minimum standards when providing services covered by the Code;
 - (b) making this Code easily accessible by customers on their websites either directly or by a link to the AFIA website; and
 - (c) taking all reasonable steps to:
 - (i) *bring this Code of Practice to the attention of their officers and employees; and*
 - (ii) *ensure that their officers and employees observe this Code.*
- 1.6 Adherence to the standards set by the Code is a condition of membership of AFIA.



2 Principles

In transacting their business, all AFIA Rental Group members must:

- (a) take reasonable steps to ensure:
 - (i) *all printed and digital advertising material accurately represents information about their products or services;*
 - (ii) *there is clear pricing;*
 - (iii) *all relevant facts concerning the contract and transaction, including the terms and conditions of the rental, are properly disclosed; and*
 - (iv) *all queries, complaints or disputes from a customer regarding the transaction and its administration are answered and/or resolved promptly, efficiently and economically.*
- (b) provide:
 - (i) *information that allows a reasonable customer to make an informed decision;*
 - (ii) *a customer with supporting documents for any claim arising from an accident involving the rental vehicle; and*
 - (iii) *high levels of customer service.*
- (c) act reasonably when charging customers' credit cards for:
 - (i) *any damage to the vehicle;*
 - (ii) *its theft;*
 - (iii) *damage to third party property; and*
 - (iv) *any charges received after the rental is closed for fines, infringements or tolls.*
- (d) provide safe and roadworthy vehicles and equipment of acceptable quality which has been properly maintained in accordance with the law and manufacturers' servicing guidance;



- (e) ensure relevant employees are regularly and adequately trained on the requirements of this Code and the Australian Consumer Law; and
- (f) resolve customer complaints according to the standards set out in this Code of Practice.

3 Unfair Contract Terms

- 3.1 Our members will take steps to ensure their terms and conditions of rental **do not** contain unfair contract terms and specifically that the terms and conditions:
- (a) create the correct balance between their rights and obligations arising under the rental contract and the rights and obligations of their customers;
 - (b) do not impose liability on their customers for breaches which are trivial or have not contributed to the loss; and
 - (c) will not unnecessarily cause harm to their customers and are reasonably necessary in order to protect our member's legitimate interests.
- 3.2 In meeting their obligations under clause 3.1 our members will ensure their terms and conditions **do not**:
- (a) operate unreasonably when imposing an obligation on their customer to pay the damage liability fee/excess;
 - (b) provide for cancellation or variation in the terms of the contract, without allowing their customer to do the same;
 - (c) prevent their customer from relying on representations made by our member or its employees;
 - (d) allow their customer's credit card or approved debit card to be charged without giving their customer notice or an opportunity to dispute the charges;



- (e) provide for the forfeiture of a security bond for any breach of the contract if there is no causal link between the breach and the forfeiture;
- (f) exclude liability for negligence; or
- (g) increase the fees and charges payable without the right for their customer to terminate (free of any penalty).

3.3 Our members will also ensure their terms and conditions:

- (a) are expressed in reasonably plain language;
- (b) do not use industry jargon;
- (c) are legible;
- (d) are presented clearly; and
- (e) are reviewed at reasonable intervals to ensure compliance with the law and this Code of Practice.

3.4 Our members will make their terms and conditions readily accessible to their customers:

- (a) on their website; and
- (b) at each rental outlet.



4 Damage Waiver or Coverage Products

- 4.1 So that customers can make an informed choice about the range of excess reduction and damage waiver options our members will take reasonable steps to:
- (a) make their customers aware of:
 - (i) *the maximum extent of the customer's financial liability arising from damage to the rental vehicle or third party loss in the event of an accident, or theft of the rental vehicle; and*
 - (ii) *exclusions from damage waiver or coverage products; and*
 - (b) inform their customers of:
 - (i) *the availability and benefits of damage liability/excess reductions; and*
 - (ii) *the cost of purchasing those optional damage liability/excess reduction products.*
- 4.2 Our members will also act reasonably in naming optional damage liability/excess reduction optional products so the name of the optional product does not give a false or misleading impression as to the extent of the maximum level of cover offered by the optional product.
- 4.3 Members will regularly review their practices to ensure clear disclosure at the point of booking of:
- (a) exclusions from cover;
 - (b) conditions and limitations to cover; and
 - (c) the availability of damage waiver or coverage products and the cost of such products.



- 4.4** Members will ensure their relevant officers and employees are regularly and adequately trained on:
- (a)** this Code;
 - (b)** exclusions from damage waiver or coverage products;
 - (c)** the availability of damage liability fee/excess reductions; and
 - (d)** the cost of purchasing optional damage liability fee/excess reduction products.

5 Start of Rental Inspection Procedures

- 5.1** Our members will use their best endeavours to ensure that any pre-existing external damage or damage to the upholstery or interior of the vehicle arising prior to a rental is clearly and accurately shown on the pre-rental inspection report or rental agreement.
- 5.2** Customers will be given the opportunity to inspect the interior and exterior of the vehicle during the check-out process to confirm it is in the condition stated on the pre-rental inspection report or rental agreement.
- 5.3** If a customer detects damage not recorded in the pre-rental inspection report or rental agreement, our member will amend the report or agreement to ensure it accurately records all pre-existing damage prior to the commencement of the rental.
- 5.4** If the rental vehicle is inspected by a customer in poor light or bad weather our member will allow their customer a further period of not less than 60 minutes from the time the vehicle leaves the rental station to report any damage not recorded on the pre-rental inspection report.
- 5.5** Our members will use their best endeavours to introduce manual improvements and technological solutions, including the installation of fixed and mobile cameras, to assist in the identification of damage arising from a rental so that all pre-existing damage is shown on the pre-rental inspection report or rental agreement.



6 Post Rental Vehicle Damage Recording Procedures

- 6.1** Our members will take reasonable steps to conduct a post rental inspection in the presence of their customers and allow them to take photos of any damage to the vehicle.
- 6.2** If a customer notifies our member they do not wish to wait or if they have left the rental station, our member will use their best endeavours to conduct that inspection within four hours of the return of the vehicle or if the vehicle is returned after hours, within four hours of the rental location opening for business.
- 6.3** Our members will use the AFIA Fair Wear and Tear Guide – Car Rental that reasonably distinguishes between fair wear and tear and damage caused during a rental.
- 6.4** If any damage is detected in a post rental inspection, our member will review their records to ascertain whether the damage is new or pre-existing and if it is new they will:
- (a)** if the customer is not present, contact the customer;
 - (b)** photograph the new damage;
 - (c)** store the photographic evidence of new damage so that it is readily accessible in the event of a customer dispute; and
 - (d)** obtain itemised estimates and an assessment of the new damage cost.
- 6.5** Our members will supply their customer with supporting documentation to substantiate repair or replacement costs or estimates to ensure that all charges are transparent and have been applied in a reasonable and proportionate manner.
- 6.6** In all communications, our members will provide contact details for their customers to obtain further information about any damage detected in the post rental inspection.



7 Credit Card Charging Practices

- 7.1** Members will provide their customers with clear justification for any end-of-rental charges that have been raised, together with details of how they have been calculated.
- 7.2** Our member will only debit their customer's credit card (or debit card, where our member has approved the use of a debit card) with the customer's authorisation and our member will ensure their rental contract or agreement has a specific authority permitting a customer's credit card or approved debit card to be debited within a reasonable time of:
- (a) any damage being detected;
 - (b) a vehicle being identified as stolen or missing;
 - (c) a claim for third party loss;
 - (d) a claim being sent to a member for an infringement, fine or toll during the period of rental; or
 - (e) a claim for an accident being lodged.
- 7.3** When debiting a customer's credit card or approved debit card for an accident or theft claim, acting reasonably, our member will take into account the circumstances under which the claim has arisen, including whether:
- (a) the customer has admitted liability to our member for the accident;
 - (b) the accident has resulted in major damage and it is reasonable for our member to expect the damage cost and third party liability greatly exceed the customer's liability under their rental agreement;
 - (c) it was a single vehicle accident;



- (d) the vehicle has been stolen;
- (e) there has been third party loss; and
- (f) whether the customer has committed a material breach of our member's rental terms and conditions.

7.4 Single vehicle accidents

If damage to the rental vehicle is caused in an incident where no other vehicle or third party property is involved, our member will debit their customer's credit card or approved debit card for the *lesser* of:

- (a) their damage liability fee/excess/single vehicle accident fee (if applicable) payable according to their customer's contract; or
- (b) the repair cost if the vehicle is repairable or the total loss value of the vehicle if it is not.

7.5 Thefts

If the customer reports the rented vehicle has been stolen our member will be permitted to debit their customer's credit card or approved debit card for the damage liability fee/excess payable according to their contract. Our member will make proper enquiries with the relevant authorities with a view to recovering the vehicle. If the vehicle is recovered our member will refund the amount of the damage liability fee/excess subject to any deductions for damage arising from the condition in which the vehicle is found as a result of the theft.

7.6 Accidents involving third parties

- (a) If a customer reports in writing that a third party has been involved in an accident, our member will take reasonable steps to determine fault and where practicable, obtain an admission from the third party's insurer.
- (b) If our member obtains that admission and their customer is ordinarily resident in Australia and has an Australian driver's licence, our member will not debit their customer's credit card or approved debit card.



- (c) If:
- (i) *acting reasonably our member regards their customer as being the party at fault or they do not obtain an admission of fault from the third party's insurer; or*
 - (ii) *their customer is not ordinarily resident in Australia,*
- our member will:*
- (A) make a reasonable estimate of their customer's liability for the overall loss; and
 - (B) debit their customer's credit card or approved debit card for the lesser of that estimated loss or the damage liability fee/excess payable according to the customer's contract.

7.7 For accident claims arising under clauses 7.4 and 7.6 the customer's credit card or approved debit card will not be debited until copies of the assessment, repair, towing and assessing invoices or estimates and photos of damage have been supplied to the customer unless:

- (a) the customer accepts liability for the accident; or
- (b) it is reasonably likely the damage and any third party loss will exceed the customer's liability agreed to under the rental agreement.

7.8 When supplying supporting documentation, our member will supply their customer with contact details if further information is sought about repair or replacement costs or other debits to a customer's credit card or approved debit card.

7.9 In the event of a successful recovery from a third party or the successful defence of a third party claim, our member will refund any damage liability fee/excess to their customer after taking into account any reasonable agency or legal costs incurred. The refund will be on a pro rata basis if the recovery or defence are only partly successful.



8 Pricing Practices

- 8.1** Our members will take reasonable steps to ensure that clear information is given at all stages of the vehicle rental booking process so customers can make an informed choice and compare products and prices with those offered by other rental operators.
- 8.2** Our members will provide customers making bookings on their proprietary websites and through their call centres with information and the additional cost of purchasing optional products offered as part of the customer's booking, including but not limited to:
- (a) damage waiver and excess reduction options;
 - (b) roadside assistance options;
 - (c) the cost of adding additional drivers;
 - (d) surcharges for young drivers;
 - (e) the cost of child seats; and
 - (f) the cost of GPS units.
- 8.3** Our members will ensure that any single price quoted at the conclusion of the booking process includes all components of the price that are quantifiable, including any items requested by the customer in clause 8.2 and any taxes, administration and
- 8.4** credit card or approved debit card fees, levies and location surcharges that are part of the total cost of the rental.
- 8.5** In making their customer's aware of any liabilities they may have arising from their rental our members will ensure that:
- (a) all printed and digital advertising material accurately represents information about their products or services; and
 - (b) there is clear pricing.



- 8.6** Our members will not engage in specific misleading practices, such as member generated bait advertising or drip pricing.
- 8.7** Our members will include important conditions, limitations, qualifications or restrictions in their advertising to allow customers to make informed choices and to avoid them being misled.
- 8.8** When advertising, our members will not engage in the use of headline representations as to a price or offer in circumstances where the overall impression of the price or offer is subsequently qualified by fine print terms and conditions that make it unlikely or impossible that customers could reasonably achieve the benefits offered in the headline representation.
- 8.9** Our members will provide a level of detail in their advertising to ensure:
- (a)** clarity so that the main terms are captured in the principal message and the body of the advertising;
 - (b)** any disclaimer is clear and understandable, having regard to the type of advertising, including the medium or format used; and
 - (c)** the use of any disclaimers does not negate the principal message and the main terms of the advertising.
- 8.10** Our members will communicate any important limitations which apply to any special promotions by:
- (a)** disclosing the key terms of the special promotion and any key limitations;
 - (b)** the period over which the special promotion operates; and
 - (c)** if there are restrictions, be they duration or rental, geographical or eligibility, what those restrictions are.
- 8.11** Members will ensure that relevant responsible officers and employees are regularly and adequately trained on the requirements of this Code and the Competition and Consumer Act 2010 as it applies to pricing practices.



9 Dispute Resolution

Internal Dispute Resolution

- 9.1 Our members' Internal Dispute Resolution Service will seek to resolve complaints relating to a customer's rental.
- 9.2 Our members will conduct complaints handling in a fair, transparent and timely manner, and will only ask for and rely on information relevant to their decision in dealing with complaints.
- 9.3 Our members will respond to a customer's complaint within 15 business days of the date of receipt of the complaint, provided our member has all necessary information and has completed any investigation required.
- 9.4 If our members cannot respond within 15 business days because they do not have all necessary information or our member has not completed their investigation our member will let their customer know as soon as reasonably practicable within the 15-business-day timeframe of the revised response date.
- 9.5 A customer's complaint will be reviewed by:
 - (a) an employee of our member with the appropriate experience, knowledge and authority, and
 - (b) who is different from the person or persons whose decision is the subject of the complaint.
- 9.6 Our member's response to the review of a customer's complaint will be in writing and will include:
 - (a) the final decision in relation to the complaint;
 - (b) the reasons for that decision; and
 - (c) the right to take the dispute to external dispute conciliation.



External Dispute Conciliation

- 9.7** All AFIA Rental Group members subscribe to the [Australian Car Rental Conciliation Service](#) facilitated by AFIA to assist in the resolution of disputes.
- 9.8** Details of how to access the Australian Car Rental Conciliation Service are available on-line: <https://www.carrentalconciliationau.com> or by calling toll free 1800 366 840.



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Fair Wear and Tear Guide





AFIA Fair Wear and Tear Guide

All AFIA Rental Group Members constantly strive to provide vehicles of the highest quality. To help them do so it is important that you take reasonable care of your vehicle so that AFIA Rental Group members can continue to provide high quality vehicles to their customers.

Before an AFIA Rental Group member's vehicle is rented, any existing damage, with the exception of fair wear and tear, is identified and recorded. AFIA Rental Group members encourage you to perform your own inspection and you are also invited to take a time stamped photograph of any pre-existing damage before leaving the rental location. If you detect any damage to the vehicle and it has not been recorded on the rental agreement, you should notify a member of staff before you leave the rental location so that this additional damage can be recorded and your rental agreement reprinted and signed. Failure to do so may mean that you lose the right to dispute that damage to the vehicle occurred during your rental.

Please make sure you have read and fully understand this AFIA Car Rental Fair Wear and Tear Guide before you drive away. The distinction between reasonable fair wear and tear and unacceptable damage is clearly outlined in this Guide.

Damage caused intentionally or by gross negligence is never fair wear and tear and is excluded from the damage cover that all AFIA Rental Group members offer to their customers.

You should always refer to the full Terms and Conditions of Rental for each AFIA Rental Group member for a full understanding of the exclusions that apply to your rental.

If you have any questions, please contact the AFIA Rental Group member directly or ask a member of staff at the rental location.



Dents	
<p>Fair Wear and Tear includes:</p> <p>Dents of no more than 20 mm in diameter (excluding bonnets and roofs) where the paint surface has not been broken and there is no paint removal, paint cracking or flaking.</p>	<p>Fair Wear and Tear excludes:</p> <ul style="list-style-type: none"> (a) dents of any diameter on bonnets, roofs, wheel arches, style lines, door sills or door edges; (b) multiple dents within a specific local area regardless of size; or (c) any damage affecting or penetrating the paintwork.
Stone chips	
<p>Fair Wear and Tear includes:</p> <p>Isolated stone chips to any panel up to 2 mm in diameter.</p>	<p>Fair Wear and Tear excludes:</p> <p>More than 5 stone chips to an isolated area.</p>
Scratches	
<p>Fair Wear and Tear includes:</p> <p>Light scratches:</p> <ul style="list-style-type: none"> (a) not more than 20 mm in length and not more than 1 mm wide; (b) no paint surface penetration; and (c) can be polished out. 	<p>Fair Wear and Tear excludes:</p> <p>Any scratch where the metal, plastic or undercoat is exposed.</p>



Bumpers	
<p>Fair Wear and Tear includes:</p> <ul style="list-style-type: none"> (a) light scuffing or scratches: <ul style="list-style-type: none"> (i) where there is no paint penetration; (ii) which are no more than 20 mm in diameter ; and (iii) which can be polished out; <p>isolated stone chips up to 2 mm in diameter.</p>	<p>Fair Wear and Tear excludes:</p> <ul style="list-style-type: none"> (a) any broken paint; (b) multiple scratches of any size; (c) dents of 20 mm in length or more in diameter; (d) any damage to a textured bumper; and <p>multiple stone chips of more than 5 to an isolated area.</p>
Wheels, wheel trims, tyres	
<p>Fair Wear and Tear includes:</p> <p>Light scratches and scuffing up to 20 mm in length.</p>	<p>Fair Wear and Tear excludes:</p> <ul style="list-style-type: none"> (a) wheel trims or hubcaps that are cracked, broken, missing, mismatched or not the original wheel trim or hubcap; (b) alloy rims for standard vehicles that are cracked, buckled, gouged or mismatched or not the original rim; (c) alloy rims for prestige and collection vehicles if: <ul style="list-style-type: none"> (i) a scuff mark is more than 20 mm in length; (ii) the alloy rim is cracked, buckled or gouged ; or (iii) the alloy rim is mismatched or not the rim as originally supplied; (d) tyre tread and sidewall damage so that the tyre is unroadworthy e.g. cuts, bulges, gouges and abrasions, tyre misuse e.g. flat spots and burnouts; (e) replacement tyres that differ from those originally supplied.



Windscreen, windows, lamps and external mirrors

Fair Wear and Tear **excludes**:

Scratches, chipping, cracks, holes or damage to:

- (e) the windscreen;
- (f) windows;
- (g) lamps; and
- (h) external mirror lens,

as all such damage may affect the roadworthy status of the vehicle and may subsequently worsen over time from the vehicle continuing to be driven.

Upholstery, floors, carpets, dashboard, fascia, trim interior and vehicle cleanliness

Fair Wear and Tear **includes** :

- (a) light marks that can be removed by vacuum or general cleaning;
- (b) light scuffing or smears or regular day to day debris that is removable by general cleaning.

Fair Wear and Tear **excludes**:

- (a) any permanent damage caused by harsh or corrosive materials;
- (b) tears, cuts, scratches, holes or burns;
- (c) any damage to the structure, shape or positioning of a seat;
- (d) hair from pets;
- (e) excessive soil, mud or sand (other than from regular day to day use);
- (f) evidence of smoking in the vehicle;
- (g) odours or foreign matter;

stains or marks that cannot be removed by general cleaning or require steam cleaning.



Keys, accessories and equipment	
<p>Fair Wear and Tear includes:</p> <p>Minor cosmetic damage that does not in any way affect the functionality of the keys, accessories or equipment.</p>	<p>Fair Wear and Tear excludes:</p> <ul style="list-style-type: none">(a) loss or damage to keys or remotes;(b) damage caused by incorrect fitting of accessories (snow chains, roof racks);(c) damage to aerials;(d) removal or damage to any item supplied with the vehicle (parcel shelf, tools, spare tyres, wheel trims, hazard triangles, first aid kits, GPS unit).