

From: Jack Pearce [mailto:jpearce@netspace.net.au]
Sent: Thursday, 16 February 2012 11:08 AM
To: 'Infocentre Public Mailbox'
Cc: Kate McKinnon; Flood Insurance
Subject: RE: ACCC Response [SEC=UNCLASSIFIED] ref# 1212181

Katy

Thanks for the reply

I know I used the small business form as the only way to attach documentations but I don't think you have considered the part of my complaint dealing with RACV insurance's false / misleading marketing. They have falsely claimed to have "accurately" identified our "individual" property for risk of flood. As well as a copy of their letter giving that as a reason for the premium increase I have provided you with direct evidence from the East Gippsland Catchments Management Authority that shows that statement to be false – They are trying to sell us a product falsely advertised – as they are doing to thousands of others.

I am copying this e-mail trail to the Federal Governments “Reforming Flood Insurance” consultation process as an example of what Insurance companies will do if allowed to refuse the policyholders the right to opt out of flood insurance. I hope they note that the possibility of more insurance companies to follow RACV and CGU would mean premium rises like this would force many householders to drop all insurance as well as the possibility of mortgage holders who must have insurance having to sell their homes. Alternatively if RACV and CGU where to remain the only insurers to take this path then they will be charging a premium for risk where no risk exists for their remaining policyholders and all the other insurance companies are left to cover the real risk and I think that would not be a realistic outcome and would expect the other insurance companies to follow suit.

Also I am a little confused after in two places on your form I answered as below

Refusal to deal complaint

If yes, please provide their contact details:	Financial Services Ombudsman
What did they offer to do for you?	Nothing

and

Unconscionable conduct complaint

Have you lodged this complaint with other parties or agencies?	No
If yes, please provide their contact details:	Financial Services Ombudsman
What did they offer to do for you?	Nothing

Although I inadvertently answered ‘No’ the second I did fill in the ‘who’ and the ‘result’.

And then, as you say, that “*After careful consideration it would appear that it is more appropriate for you to direct your concerns to the Financial Ombudsman Service (FOS)*” I suppose I should point out again that the FSO also say they can’t deal with this?

The RACV are refusing to deal with me after I supplied them with Catchment’s Management based flooding evidence to counter their supposed accurate and individual property data (who better to understand our flood situation) and are unfairly forcing me to trade elsewhere for insurance – a premium increase from about \$650 PA to \$3,700 PA is a bit more than just a hint that they don’t want my business and would prefer to charge others for a risk that does not exist and so is a clear profit for an insurance company.

If RACV and CGU are successful and it becomes impossible to get fire and theft insurance independent of flood then people will revert to non-insuring.

From: Infocentre Public Mailbox [<mailto:info.centre@acc.gov.au>]
Sent: Thursday, 16 February 2012 10:02 AM
To: jpearce@netspace.net.au
Subject: ACCC Response [SEC=UNCLASSIFIED]

Dear Mr Pearce,

Thank you for your email of 14 February 2012 to the Australian Competition & Consumer Commission (ACCC) regarding your current dispute with RACV Insurance Services Pty Ltd. Your reference number for this matter is 1212181.

The ACCC is responsible for administering the Competition and Consumer Act 2010 which incorporates the Australian Consumer Law (ACL). The ACL is a national law which applies to all business sectors. It covers general standards of business conduct, prohibits harmful practices, regulates specific types of business-to-consumer transactions, provides basic consumer rights for goods and services and regulates the safety of consumer products and product-related services.

We appreciate the time that you have taken to provide the ACCC with further clarification in relation to your complaint. I have added this information to your original complaint of 9 February 2012. Please note that the ACCC will only contact you again in relation to your complaint if we require further information or evidence to assist in our enquiries.

After careful consideration it would appear that it is more appropriate for you to direct your concerns to the Financial Ombudsman Service (FOS).

The FOS helps individuals and small businesses resolve complaints concerning all financial services, **including insurance**. The FOS is able to make decisions which bind the bank and insurance companies which are party to the FOS. It deals with complaints regarding banking and financial services and attempts to resolve them as an alternative to the consumer going to court. This organisation can be contacted on 1300 780 808 or by visiting their website: http://fos.org.au/centric/home_page.jsp.

I trust this information is of assistance.

Yours sincerely,

Katy
ACCC Infocentre
Ph: 1300 302 502

From: jpearce@netspace.net.au [<mailto:jpearce@netspace.net.au>]
Sent: Tuesday, 14 February 2012 11:34 AM
To: Infocentre Public Mailbox
Subject: TRIM: Small business complaint form submission [SEC=UNCLASSIFIED]

Person making the complaint

Preferred title:	Mr
Last name:	Pearce
Given names:	kerry
Age:	55-64
Name of business:	
Address:	13 Sixth av, RAYMOND ISLAND VIC 3880
Contact phone number(s):	03 51566480
Fax:	
Email:	jpearce@netspace.net.au
TTY:	
Nature of business (industry):	Finance
How old is your business?:	Unknown
How many employees does your business have?:	0-4

Who is the complaint against?

Name of business:	RACV Insurance
Address:	550 Princess Hwy, NOBLE PARK NTH, VIC 3174
ABN:	74 004 131 800
ACN:	
Contact phone number(s):	137228
Fax:	
Email:	
TTY:	
Other (e.g. website):	
Name of business (industry):	Insurance
Name(s) of employees dealt with (if known):	

Relationship

Are you a supplier, customer or competitor of the business you are making a complaint about?

- Customer

Description of conduct

Note: I am using the small business form on advice from one of your advisers so I can attach documents -ASIC reference # 1212181 This complaint is about False / misleading marketing by RACV Insurance. They have falsely claimed to have "accurately" identified our "individual' property for risk of flood and priced our premium according to that assessment. They have refused to disclose the source of the data they they are relying on and won'r identify the hydrologist they keep referring to. We have up to date, highly accurate, aerial rader flood mapping for our property supplied by the East Gippsland Catchments Management Authority with which to dispute their assessment. We have shown them this which shows our house and contents is about 1/2 metre above a 1:100 year flood and has nil risk of flash flooding. They have verbally refused to change their assessment and have not given written answers to our questions about data sources, proportion of premiums and risk category. The insurance council has submitted data to the Federal Governments flood insurance consultation that would define our premium as about \$77, greater than a 1 in 100 year flood wherea RACv has added approx \$3,100 to our last years premium, according to the Insurance Council this puts us at 'Extreme' risk of a 1 in 17 year flood. Since our renewal was due 9th February we were forced to change insurers.

Description of loss

Time and frustration - lots of it,

Description of Outcome

Allow our community members as well as other Victorians to appeal RACV's style of compulsory flood insurance and opt out if they don't think it is a risk. If it is a risk then know that risk assed realistically, accurately and fairly as RACV falsely claims it has. Stop RACV from representing its compulsory flood insurance as a benefit particularly when flood insurance is not wanted. Ensure RACV and now CGU (I don't know about others) are not colluding via their, and others, common insurance manufacturers.

Refusal to deal complaint

What is the type and brand name of the product sought?	Realistic flood risk/premium assessment
Date attempted to purchase goods?	2012-02-09
Have you sought a reason for the refusal from the supplier?	Yes
If yes, what is the stated reason?	Compulsory bundlingof insurance product
Is there an alternative source of supply for this brand or a different brand of a similar product?	Yes
Have you referred this complaint to any other organisation?	Yes
If yes, what did they offer to do for you?	Financial Service Ombudsman - nothing

Anti competitive conduct complaint

What product or service are you dealing with?	Compusory flood insurance added to house and contents
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How has your ability to compete been affected by the conduct you are making the complaint about? For example, are you unable to discount prices due to pressure being applied by a supplier or manufacturer?

insurance
no choice and so forcing risky
policyholders onto other
insurance companies.

Unconscionable conduct complaint

What events have occurred that you believe constitute unconscionable conduct?

unreasonable, unfair risk
assessment

Were you able to clearly understand the meaning of the documents provided to you?

No

Did the other party to the transaction use any undue influence or pressure?

Yes

Have you lodged this complaint with other parties or agencies?

No

If yes, please provide their contact details:

Financial Services Ombudsman

What did they offer to do for you?

Nothing

Do you agree that this information be referred?

Please indicate if you are happy for the details of your complaint and other information provided to be referred to another organisation or government agency if it is more appropriate that they investigate your complaint.

No

Time taken to fill this form

Hours: 1 Minutes:

Attachments

- [RACV Flood risk Letters Renewal cover letter.pdf](#) (525.2 KB)
- [RACV insurance notes on conversations.doc](#) (27.0 KB)
- [EGCMA FloodAdvice for planning permit 2009.pdf](#) (1.3 MB)
- [EGCMA 20,59 and 100 year ARI Our property.pdf](#) (221.1 KB)

IMPORTANT: This email from the Australian Competition and Consumer Commission (ACCC), and any attachments to it, contains information that is confidential and may also be the subject of legal, professional or other privilege. If you are not the intended recipient, you must not review, copy, disseminate, disclose to others or take action in reliance on, any material contained within this email. If you have received this email in error, please let the ACCC know by reply email to the sender informing them of the mistake and delete all copies from your computer system. For the purposes of the Spam Act 2003, this email is authorised by the ACCC www.accc.gov.au