

22 November 2021



Official Information Act #21.075 – Windscreen Repairer Complaints

1. We refer to your request received on 1 November 2021 for:
 - 1.1 Details of all complaints that have been made by windscreen repairers/the windscreen industry¹ about insurance companies over the last five years²
 - 1.2 Details including:
 - 1.2.1 A summary of the complaint;
 - 1.2.2 The status or outcome of the complaint;
 - 1.2.3 The date the complaint was made; and
 - 1.2.4 The insurance company the complaint relates to.
2. We have treated this as a request for information under the Official Information Act 1982 (OIA).

Our response

3. We have decided to grant your request.

¹ Supreme Screens, Astrofix, Cutting Edge Glass & Glazing, Gisborne Glass, Waikato Mobile Windscreens, Mavericks Autoglass, Kiwi Windscreens Group, Auto Mobile Glass, Auckland Windscreen Services, Eazi Glass, Cambridge Windscreens, National Glass, Bay of Plenty Windscreens, Top Glass, Wiseman Glass, The Glass Man, JT Glass, Napier Glass, National Glass, Auto Glass, Glassworx Nelson, Coast Glass, Glass Specialists, City Glass & Auto, OnPoint, Auto Windscreen Replacements.

² 2 November 2016 – 2 November 2021.

4. The Commission has received three complaints from the windscreen repairers you provided to the Commission which fall within the scope of this request.
5. The Commission has received 28 other complaints that fall within the scope of your request but did not come from windscreen repairers named by you.
6. All 31 of these complaints were all added to a 'demand' as they related to the same subject matter and were about the same party. These complaints were received between 3 July 2018 – 12 August 2019. A demand is the name the Commission gives a matter where we intend to complete further work. We place demands on a list and prioritise them based on our Enforcement Criteria³ and current strategic priorities.⁴
7. This demand underwent an assessment by the Commission's competition branch to determine whether we considered there could be a potential breach of the law.
8. All complaints within the demand were from a number of independent windscreen repairers who made complaints regarding IAG New Zealand Limited (IAG) contracting a 3rd party administrator called Auto Glass Claims Limited (AGC) to manage its insurance claims for windscreen repairs. This new claims management process commenced on 1 July 2018. The complainants generally raised the following concerns.
 - 8.1 AGC shares the same directors as Novus CMS (Novus), a competing windscreen repairer which is also one of IAG's contracted repairers of windscreen repair services. Independent repairers are concerned that they are being asked to send invoices containing commercially sensitive information to a party they perceive as being their competitor.
 - 8.2 A related concern which has been raised by independent repairers is that AGC has allegedly been slowing down payments, questioning independent repairers about their costs, and requesting for specific itemised breakdowns to be provided in invoices.
 - 8.3 IAG has allegedly stated to one complainant that its intention is to minimise the use of independent repairers for its windscreen claims. Complainants are concerned that IAG has implemented the new claims management process with AGC as a means of reducing the number of insurance repairs which are conducted by independent repairers.
9. The Commission decided to take no further action in relation to this demand, determining that the claims management arrangement between IAG and AGC:

³ Enforcement criteria: <https://comcom.govt.nz/about-us/our-policies-and-guidelines/investigations-and-enforcement/enforcement-criteria>

⁴ Our priorities: <https://comcom.govt.nz/about-us/our-priorities>

- 9.1 appeared unlikely to have the purpose, effect or likely effect of substantially lessening competition in the market for auto glass repairs for the purposes of section 27 of the Commerce Act 1986 (the Act);
 - 9.2 appeared unlikely to be in breach of section 30 of the Act as AGC and IAG are not in competition, and it was our view that AGC (or Novus) and independent repairers are not in competition at the point in time when AGC requests a repairer to lower its invoiced price for a particular customer's repair work; and
 - 9.3 appeared unlikely to be in breach of section 36 of the Act, as it is our view that IAG (nor any other party) does not have a substantial degree of market power.
10. Please note the Commission will be publishing this response to your request on its website. Your personal details will be redacted from the published response.
 11. Please do not hesitate to contact us at uia@comcom.govt.nz if you have any questions about this request.

Yours sincerely



Alexandra Murray
OIA and Information Coordinator