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Reference No: Mitsubishi/jk-10-20

Date issued: 5/10/2020

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## Important Notice

Dear member

Please be advised, Mitsubishi Motors Australia Limited (MMAL) has lodged an exclusive dealing notification with the ACCC. The notification involves MMAL offering a 10-year or 200,000km (whichever occurs first) warranty to purchasers of new Mitsubishi vehicles on condition that the purchaser exclusively acquires all scheduled services through the authorised Mitsubishi Motors dealer network.

### Details of the proposed MMAL Warranty

MMAL is an importer and distributor of Mitsubishi branded motor vehicles in Australia. Currently, MMAL offers a five-year warranty for new Mitsubishi vehicles.

Under the proposed arrangements, purchasers will continue to remain entitled to a five-year warranty for their new Mitsubishi vehicle when they service their vehicle in accordance with MMAL's service schedules and associated documentation (regardless of whether they service their new Mitsubishi vehicle at an MMAL dealer or service centre).

In addition to the five-year warranty, purchasers will be entitled to a complimentary 10-year warranty (that is, the initial five-year warranty plus an additional five years) where (in addition to complying with MMAL's service schedules and associated documentation) they **exclusively** service their new Mitsubishi vehicle with an MMAL dealer or service centre.

Where a purchaser chooses to service their new Mitsubishi vehicle with a non-MMAL dealer or service centre, they will lose the benefit of the 10-year warranty going forward but will retain the benefit of the five-year warranty.

**Purchasers will remain able to obtain repairs (as distinct from servicing), including repairs undertaken pursuant to the consumer guarantees set out in the Australian Consumer Law, from an independent repairer or service centre without affecting the 10-year warranty.**

### ACCC calling for submissions

The ACCC is seeking submissions from interested parties on the likely public benefits and effect on competition, or any other public detriment from the proposed arrangements.

Submissions can be made by email to [adjudication@acc.gov.au](mailto:adjudication@acc.gov.au) with the subject RN10000433–Mitsubishi Motors Australia Limited – submission'. Alternatively, you can provide comments orally, by contacting Andrew Mahony on (03) 9290 1983.

The closing date for submissions is 9 October 2020. I encourage all members to make a submission to the ACCC on this matter.

For more information click [here](#).

Please note, the VACC will be making a joint submission with the Motor Trades Association of Australia (MTAA) on behalf of independent repairers on the basis that this exclusive dealing notification particularly the requirement to have all scheduled services completed at an authorised dealer is anti-competitive conduct and will substantially lessen competition in the automotive aftermarket service and repair sector. Furthermore, if the ACCC approves the proposed arrangements it will set a dangerous precedent for other automakers to offer similar warranty deals.

Please do not hesitate to contact me if you would like to discuss this matter.

**John Houry**

**Industry Divisions & Policy Advisor**

ARD, AED, ERRD, GD, SVA, Auto Trans, ATRA, LVT

**VACC**

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