

Consumers demand transparency from hire car companies

Canstar Blue releases Hire Cars 2015 – Most Satisfied Customers Award

Aussie motorists are demanding complete transparency from hire car companies – but aren't always getting it, according to a new study.

Over half of rental car customers have found costs misleading, and almost one in four have disputed additional charges after returning a vehicle, consumer research service Canstar Blue found.

But many will only have themselves to blame for failing to read the terms and conditions of their agreement.

"Hiring a car is a serious responsibility, but it's very irresponsible of motorists to enter into such an agreement without thoroughly reading the small print first," said Canstar Blue General Manager Megan Doyle. "If you are driving a vehicle worth thousands of dollars it's important to know exactly where you stand should something go wrong and what fees you may incur. It's worrying that so many consumers are going into the process blind.

"But it's also concerning that many people have experienced a lack of transparency over costs. The operators should be doing everything they can to make all costs involved as clear as possible, including insurance, which many customers cited as a major frustration.

"People don't mind paying a reasonable price to hire a car, as long as they receive good customer service, and complete transparency over costs and potential fees."

Drivers of hire car satisfaction

% of respondents

Transparency of costs and fees

31%

Customer service

31%

Value for money

14%

Availability of vehicle booked

10%

Booking process

8%

Availability of accessories ordered

6%

The survey, of 736 drivers who have hired a car in Australia within the last year, found that 81% always inspect their vehicle and 37% take pictures of it before driving off. Despite that, 43% fail to thoroughly read the terms and conditions of their contract.

Fifty-seven per cent often find the original quoted price of renting a car turns out to be different from the price they are charged and 23% have disputed additional charges after returning it, usually relating to damage.

"Some drivers claim to have been charged up to double the original quoted price, while others have been left waiting months for security deposits to be returned," said Mrs Doyle. "Other common complaints include not being able to pay by debit card and charges for refuelling.

"Nothing frustrates people more than being hit with unexpected fees, but unfortunately these are disputes that consumers are unlikely to win. Thirty-one per cent of survey respondents did not realise that operators could debit their card for an unlimited amount to cover vehicle damage and breach of contract.

"It's crucial that consumers thoroughly review the vehicle damage report and terms of their rental agreement, and don't underestimate the significance of what they are doing – because it could cost them. If the contract is confusing and hard to understand, then don't agree to it."

What you need to know when hiring a car

Stephen Moir, Chief Executive Officer of the Motor Trade Association of WA, said some motorists are guilty of underestimating the additional charges that can come with hiring a car.

"Many consumers fail to educate themselves on the fee schedule and additional fees that may apply – such as those for additional drivers, location fee, drivers under the minimum age, petrol, excess kilometres, damage to the vehicle and late return of vehicle," he said.

"Consumers should ask lots of questions and find out what the fees and charges are for the hire company they choose. It's important to remember that different companies have different hire conditions. I recommend that consumers keep a note of their activity every day – for example, keep an eye on how many kilometres you've travelled each day to ensure that you don't exceed the daily kilometre allowance.

"It's very important that the consumer conducts their own checks of the vehicle along with a representative of the hire company. If you notice any defects it's imperative that they are noted in the hire contract. The hire contract is a document which protects both the consumer and the hire company. If a default is NOT noted on the hire contract it doesn't exist at that point in time. Customers should ensure they receive a copy of the hire contract and are satisfied that all defaults are accounted for."

To make sure your next car hire experience goes smoothly, here are some tips on what you should do – and questions you should ask.

- Find out what documents you will need

Most companies will need you to present a valid driver's licence and credit card at pick-up. International visitors will usually need their country licence, international licence and passport. Most companies need to sight these documents in their original format and many won't accept photocopies.

- Check the vehicle before you take it

It's important that you check the vehicle before you take it. If you notice any defect on the vehicle you must notify the company and ensure that they have documented it in their records. If it is not in their records when the vehicle is returned, they may not accept other evidence such as photographs.

- Find out what fees and charges apply

Reputable companies will be able to outline all of their fees and charges. These could include additional drivers, location fee, drivers under the minimum age, petrol, excess kilometres, damage to the vehicle, late return of vehicle, returning the vehicle to a different location and credit card surcharges. You should be able to get a list of all fees and charges in writing.

- Is there an age requirement for the driver?

Many companies have an age requirement of 21 years or over. Drivers under this age may be required to pay additional charges.

- Do I need to pay a bond?

Many companies will require a bond to be paid when you pick up the vehicle. This will depend on the type of vehicle you hire.

- Do I need insurance?

Insurance is not compulsory but it is strongly recommended. Hire car company insurance packages are usually fairly low cost and in the event that something occurs it could save the consumer a lot of money – and stress. It's important to remember that from the time you take charge of a hire vehicle you are financially responsible for any loss or damage to the vehicle or any loss or damage to third party property as a result of using the vehicle.

- Does the agreement include roadside assistance?

Roadside assistance due to mechanical malfunction is usually covered in your hire charge. Non-standard assistance for things like locking your keys in the vehicle or a flat battery could mean an additional charge.

- What can I use the vehicle for?

Many companies require that the vehicle only be driven on sealed bitumen roads. You should talk to the company if you intend to use the vehicle to tow or go off road.

Which hire car company is rated highest?

While several negative experiences were highlighted by the survey, many respondents reported great value for money and customer service.

"It's natural to remember negative experiences for longer than positive ones, but we did receive plenty of very encouraging feedback," said Mrs Doyle. "Many spoke highly of quick and easy booking processes, helpful and professional staff, and clean and tidy vehicles. Others were grateful for being upgraded to newer, better models at no extra charge."

Respondents to the Canstar Blue survey were asked to rate the most recent hire car company they used across a range of research criteria, including the booking process, customer service and value for money. Avis was the only operator to earn a five-star rating for overall satisfaction.

"Most people are willing to accept some faults, like accessories – or even the vehicle they booked – not being available when they arrive at the pick-up point. But they don't want to be taken for a ride when it comes to costs," said Mrs Doyle. "It's a consumer's responsibility to make sure they understand the agreement they enter into, but operators should also do their best to be as transparent and helpful as possible."

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