



## CAR NEXT DOOR DAMAGE POLICY

**Last Modified: 7 February 2017**

The purpose of this policy is to provide a clear and simple framework for action in the unlikely event of damage to a vehicle listed with Car Next Door.

This policy is a guideline only, and is not binding on Car Next Door. In the event of a conflict between this policy and the Member Agreement or Owner Supplement, the Member Agreement or Owner Supplement will prevail.

**Note:** This Damage Policy only applies to damage that is covered under the Member Agreement or Owner Supplement. It is important that you read the Member Agreement and Owner Supplement and understand the circumstances where Our Insurance Policy does not provide cover for damage to a vehicle.

In this document, capitalised terms have the meaning given in the Member Agreement and Owner Supplement.

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## What does this policy cover?

This policy explains who is responsible for damage to vehicles listed on the Car Next Door platform, and how repairs are organised and paid for.

Where this policy refers to 'damage', it does not include wear and tear. See the Schedule for examples of wear and tear.

**Car Next Door's insurance policy does not provide cover for wear and tear to a vehicle. Borrowers are not responsible for repairing wear and tear.**

## The damage log

Car Next Door will create the initial damage log, recording all pre-existing damage on the vehicle, when the in-car technology is installed. Owners can access their car's damage log from their Dashboard ([www.carnextdoor.com.au/owners/dashboard](http://www.carnextdoor.com.au/owners/dashboard)).

Car Next Door may update the damage log when a Borrower or the Owner reports damage or wear and tear.

The Owner must review this damage log before their car first goes 'live' and regularly while the car is listed on the platform and contact Car Next Door if there are any inaccuracies. If the Owner becomes aware of damage or wear and tear to the Vehicle then they must request an update to their vehicle's damage log (through their Dashboard).

## Checking for damage: Borrowers' and Owners' responsibilities

### Borrowers' responsibilities

At the **start and end** of each Booking Period, Borrowers must:

#### **1: Inspect the car for damage and check it against the current damage log.**

The damage log is:

- included in the confirmation email that is sent for each Booking; and
- available via the members' site from 15 minutes before a Booking and for the duration of the Booking.

#### **2: Take and keep photos of the vehicle.** The photos must:

- **Capture a clear image of all sections of the car's exterior** including the bonnet, front, back, passenger side, roof and driver's side.
- **Be taken even if the Booking begins or ends outside of daylight hours**, in which case the Borrower should use a flash or other available lighting in order to capture the clearest possible images of the car.
- **Be kept for 30 days after the Booking end date.**
- **Be emailed to Car Next Door within three days of our request**, original, unedited and in the highest resolution available.

**3: Report any damage that is not recorded on the damage log before driving the vehicle, by:**

- emailing a description and photo(s) of the damage to [members@carnextdoor.com.au](mailto:members@carnextdoor.com.au); or
- if it requires immediate attention, calling Car Next Door (see <https://www.carnextdoor.com.au/about-us/contact-us> for phone numbers).

### **Owners' responsibilities**

Owners must:

- inspect their vehicle for damage regularly (if possible, straight after each Booking Period and at a minimum once every 10 days); and
- report any identified damage to Car Next Door as soon as it is discovered, and **before** driving the vehicle, as set out above.

## **Reporting damage that occurs during a booking**

If a vehicle is damaged when a Borrower is in possession of the vehicle, then the Borrower must inform Car Next Door as soon as possible and provide a description and photographs of the damage.

To partially offset the time spent by Car Next Door and/or the Owner in organising the repair of damage caused by, or attributed to, a Borrower, the Borrower will be charged an inconvenience fee as set out in the Fee Schedule (<https://www.carnextdoor.com.au/fee-schedule>).

If a Borrower fails to report damage, he or she may be charged an additional inconvenience fee and may have his or her membership cancelled.

These fees will count towards the Borrower's Damage Cover Liability ("DCL") amount, so that the Borrower's total liability will not exceed his or her DCL.

## **Who is responsible for damage?**

Members are responsible for any damage that occurs while they are in possession of a vehicle, except in some cases of mechanical and tyre damage, as set out below.

**The Borrower** is considered to be in possession of a vehicle from the time they unlock the Lockbox at the commencement of a booking until they lock the car, return the key to the Lockbox and end their booking. This period may not match exactly the time for which they have made a booking for the vehicle (for example, if the Borrower picks the car up late or returns it early).

**The Owner** is considered to have possession of the vehicle at all other times.

### **Disputes about when certain damage occurred**

If it is unclear when certain damage occurred, then the last Member who drove (or, if they are an Owner, whose Additional Driver who drove) the vehicle will be responsible for the damage, unless:

- they show that the damage happened before they picked up the vehicle, through photographing and reporting the damage to Car Next Door at the start of their booking (and before they drove the vehicle); or

- they show that the damage happened after they left the vehicle by providing, within three days of Car Next Door's request, clear, unedited photos, at the highest possible resolution and taken at the end of their Booking Period.

If damage is reported, Car Next Door will review damage reports and request photos from Borrowers who have booked the car during up to 30 days before the report.

If the last Borrower shows, with photographs, that the damage had not occurred by the end of his or her Booking Period, then the cost of repairing the damage will be the Owner's responsibility (up to the Owner's DCL).

If, after this process is complete, the damage cannot be attributed to any Borrower who had the car in the 30 days before the damage is reported, then it will be the responsibility of the Owner.

In the case of a dispute, Car Next Door will mediate, and the decision of Car Next Door is final.

Car Next Door does not take responsibility for any unattributed damage.

## **Responsibility for damage to mechanical components**

Where mechanical damage is proven to have been caused by misuse of the car by a particular, identified Borrower (e.g. from continuing to drive with warning lights illuminated), then that Borrower will be responsible for the full cost of the repairs.

In all other cases, mechanical faults, wear and tear and breakdown are the responsibility of the Owner.

However, if:

- a) a mechanical component fails before reaching its expected lifespan, and
- b) that failure is suspected to be due to Borrowers' driving, but
- c) responsibility for the damage cannot be attributed to any particular Borrower;

then Car Next Door may, after investigation and at our absolute discretion, consider sharing the cost of repairs using the following formula:

*Remaining mileage life of the component*

divided by

*Expected lifespan (as determined by an independent mechanic)*

For example: if a clutch has an expected full lifespan of 80,000 km, and is damaged after 60,000km, the remaining lifespan (20,000) divided by expected lifespan (80,000) = 25%. Car Next Door may pay a share of up to 25% of the costs of replacing the clutch.

Whether to make any payment in these circumstances, and the amount of any payment, will be at Car Next Door's discretion. Car Next Door will not contribute to any repair costs if there is evidence of an inherent fault or defect with that type of vehicle or component.

## Responsibility for Tyre Damage

Any punctures or other damage to a tyre caused by driving over foreign objects will be the responsibility of the Member who was in possession of the car at the time. That Member will need to cover the cost of repairing or replacing the tyre.

Any punctures or damage to the tyre that are caused by wear and tear (see below) will be the responsibility of the Owner, even if they occur during a Borrower's booking. The Owner will be responsible for covering the cost of repairing or replacing the tyre in these cases.

Regardless of the cause of the flat or puncture, a Member who drives with a flat tyre will be responsible for any resulting damage to the wheel or vehicle.

## Repairs

If a vehicle is damaged such that its safety or reliability is compromised, the vehicle must be made unavailable for Bookings until the damage is repaired.

In any other case, the Owner may choose whether or not to have the damage repaired.

### Organising repairs

Car Next Door will organise the repairs (with the assistance of the Owner where necessary) unless the Owner chooses to have the repairs done by their preferred repairer, in which case:

- a) the Owner's chosen repairer must send digital photos and a quote to Car Next Door's online assessor for review and approval; and
- b) the \$25/day payment described below ("Payment to Owner when their car is unusable due to Borrower fault") will not apply, because Car Next Door cannot manage the timing of those repairs.

### Paying for repairs

If Car Next Door organises the repairs, then Car Next Door or its insurer will pay the repairer directly.

If the Owner organises the repairs then they will pay the repairer directly, and send the invoice to Car Next Door for reimbursement. However, Car Next Door will only pay up to the amount approved by our online assessor. If the Owner's preferred repairer charges more, then the Owner will be responsible for paying the difference.

## Payment to Owner when their car is unusable due to Borrower fault

Where the Owner is unable to use their vehicle as the direct result of damage caused by a Borrower, Car Next Door will pay the Owner \$25 per day for up to 28 days, starting on the later of:

- the day that the Owner reports the damage to Car Next Door in writing; or
- the first full day on which the Owner is unable to use the car.

The amount will be credited to the Owner's account in a single lump sum after the vehicle is returned to the Owner or after the 28-day period expires, whichever is the earlier.

## Insurance claims and Damage Cover Liability (DCL) payments

If the cost of repairs is likely to exceed \$1,000, then Car Next Door may request a member to:

- submit a Collision or Damage Report Form; and
- provide any other information or assistance required for us to make a claim under our Insurance Policy.

Car Next Door will charge the Member the estimated cost of the repairs, up to his or her Damage Cover Liability amount. A separate DCL applies to each separate incident of damage. The Member may choose to pay this as a charge to their Car Next Door account using the payment card on file, or by payment directly to our bank account:

**Account name:** Car Next Door Pty Ltd

**BSB:** 112879

**Acc:** 467716133

Please use your member number and a short description of what the payment is for as the reference, then take a screenshot of the confirmation of payment page (or save or print the page to PDF) and email it to [members@carnextdoor.com.au](mailto:members@carnextdoor.com.au).

## Dispute Resolution

If any dispute arises between Members or between a Member and Car Next Door in relation to damage to a vehicle, then Car Next Door's [Complaints and Member Dispute Resolution Policy](#) will apply. The Complaints and Member Dispute Resolution Policy is available on our website.

## Schedule: Wear and tear

Car Part	Examples of wear and tear
Windshield/Windows	<ul style="list-style-type: none"> <li>• 1 or 2 minor chips, bullseyes or stars (not in direct field of vision)</li> <li>• Aging of rubber around windshield/windows</li> </ul>
Rims/Tyres	<ul style="list-style-type: none"> <li>• Minor scuffing</li> <li>• Tyre aging</li> </ul>
Interior: Trim, Upholstery, Carpets, Controls	<ul style="list-style-type: none"> <li>• Normal Soiling to seats and carpets (caused by normal use)</li> <li>• Normal odours</li> <li>• Minor scuffing and wear to surfaces</li> </ul>
Paint/Body	<ul style="list-style-type: none"> <li>• Minor scratching – scratches less than 25mm in length and shallow, no more than 2 per panel, and hairline scratches</li> <li>• Minor touch-ups or minor flaking of paint</li> <li>• Dents - less than 20mm diameter, no paint surface penetration and no more than 2 per panel</li> <li>• Minor stone chipping on hood, lower doors, wheel guards</li> <li>• Rust or corrosion</li> </ul>
Moulding/Grille/Bumpers/Mudflaps. Wheel hubs/rims and hubcaps	<ul style="list-style-type: none"> <li>• Minor parking damage - scuffing, light scratches</li> <li>• Minor stone chipping - for example see photos here -<a href="http://bit.ly/CND-stone-chip-photos">http://bit.ly/CND-stone-chip-photos</a></li> </ul>
Underbody	<ul style="list-style-type: none"> <li>• Minor dents and deformations</li> <li>• Detachment of all or part of the Engine Splash Shield.</li> </ul>
Mechanical or electrical	<ul style="list-style-type: none"> <li>• Wear to engine, brakes, clutch or suspension, or component or assembly failure (e.g. engine or transmission failure)</li> <li>• Damage or malfunction of radio/stereo system, air conditioning, electric windows or other electrical components</li> <li>• Borrowers will not be responsible for mechanical damage where the part is past its minimum useful life as per the manufacturer's guidelines.</li> </ul>

The items listed are examples only and not an exhaustive list of damage that is excluded from cover.