



Media Release

Consumer and Business Affairs

25th August 2006

BEWARE OF BOND REQUIREMENTS

Consumer Affairs Commissioner Richard O'Sullivan is concerned about a practice in the vehicle rental industry of immediate debiting of credit cards for large bonds coupled with the retaining of that money for up to 30 days beyond the return of the vehicle even if returned with no damage.

Mr O'Sullivan's concerns relate to a reported practice by West Australian company Trailmaster Pty Ltd which rents campervans and caravans to travelers.

"As part of its contract with a hirer, Trailmaster asks for a \$5000 bond and will instantly debit the hirer's credit card for that amount of money," Mr O'Sullivan said.

"The contract also states Trailmaster may retain the bond for up to 30 days after the vehicle is returned, even if the vehicle is undamaged.

"Of course, with the signature of the hirer, none of this is illegal. It is, however, in my mind, quite unfair. As well, this practice has the potential to impact on tourism in the Northern Territory."

The Commissioner said such a practice would impact heavily on those who did not have a spare \$5000 in their account, attracting overdraft interest or penalty interest. It also means a consumer has \$5000 less to spend on their holiday.

"I might add, Trailmaster is not the only vehicle rental company to impose hefty bonds on clients. Nor is it the only company to immediately debit a credit card account for the bond money once a vehicle is rented," Mr O'Sullivan said.

"It is however the only company that has been brought to my attention, who legally is able to retain bond money for up to 30 days after the return of the vehicle even if it is not damaged. I believe that this is harsh."



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“Such a practice by any company may at any time, depending on the size of the fleet and the turnover of vehicles, result in the holding of multiple bonds which could total significant holdings in the millions of dollars. The interest retained by a business in this situation could be significant.”

Mr O’Sullivan confirmed a complaint against Trailmaster had been lodged with Consumer and Business Affairs.

“In the end it is a matter, as always, of consumers being aware of all the terms and conditions of contracts before they sign,” he said.

Media contact: Traci Keys 8935 7737
