

Step 1. I've received a letter of demand and an itemised invoice of damages claimed

Checking an itemised invoice of damages claimed Once you have the itemised invoice of damages claimed you should check:

1. Was the damage being repaired caused in the accident?
2. Is the repair method reasonable given the age, make and model of the car?
3. Are the repair costs correct?

You may want to consider seeking the opinion of a professional (like a smash repairer) as to whether the amount is right. This will be more convincing than your opinion alone. If you still believe the amount claimed is excessive, you should gather as much evidence and research as you can to prove this. **TIP: Insurance companies will often agree to settle the debt claimed for a lesser amount if you pay straight away** **Step 1: Gather evidence** For instance, you may be able to take any photos you have or can obtain from their insurer, and any quotes/invoices they provided about the damage to the other car to your own expert mechanic to get a written opinion of whether you caused the particular damage, and what would fall within a reasonable cost of repairs for the damage you did cause. **Step 2: Write back raising a dispute**

- You should write back to the other party to raise a dispute.
- You should mark any negotiations “without prejudice” so that they cannot be used as admissions in litigation in the future.
- You should make a clear offer of a negotiated outcome in your letter (such as a full and final settlement offer of a reduced amount). This can be used in relation to any dispute about the costs of proceedings to show you made genuine efforts to resolve the dispute.

Send the letter explaining your position and attaching any evidence to support your case. If you are dealing with an insurance company you can use our [Letter to Insurer Disputing Amount Claimed Sample Letter](#). You may want to request that the amount of repairs be reviewed by the Internal Dispute Resolution process at the Insurance company. You can search for these details [here](#).

Step 3: Confirm any settlement in writing It is always best to get the settlement

confirmed in writing. Be clear on what it is you are settling – is it the full amount, or just the cost of repairs? does it include hire car costs? If you only settle the repair cost, you can find yourself being chased later for other costs (eg. hire car) from the insurer, or the other driver directly. **What if we can't agree on a settlement?** Ultimately, if a negotiated outcome cannot be reached, the other driver (or their insurer acting in their name and on their behalf) can start court action for the amount they believe is justified. A court would then decide the correct assessment of damages based on the available evidence. Legal costs and court costs will generally be added onto the amount claimed if this happens. You can choose to lodge a defence, but you must be careful and get legal advice first. The court may make orders that one party pay the other party's costs – for instance, the courts may order the losing party pay the reasonable legal costs of the winning party. **REMEMBER: If you are arguing that the amount claimed is too much, this means you still owe some of it. Be prepared to pay, or start paying, the amount you agree you owe.** If you are experiencing financial hardship in relation to the damage (no matter if the amount was reduced) and you cannot afford to repay, you should make an appointment to see a Financial Counsellor (1800 007 007) and negotiate under the General Insurance Code of Practice for a reduced amount, payment plan or a release from the liability. Please see our ["I've had a car accident and I'm uninsured fact sheet"](#).