

Step 1. I received a letter of demand and an itemised invoice/quote of damages

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

1. Did you cause the damage claimed?
2. Is the repair method reasonable given the age, make and model of the car?
3. Are the repair costs reasonable?

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. Repair costs vary, so the question is **not** whether the repairs could have been done cheaper, rather it is whether the repairs fall within a reasonable range. TIP: Insurance companies will often agree to settle the debt claimed for a lesser amount if you can pay in full straight away. **Step 1: Gather evidence** You should take any photos you have and the invoice/quotes provided to your own smash repairer. You should ask for a written opinion about whether you caused particular damage and what is a reasonable cost of repair for the damage you did cause. **Step 2: Write back raising a dispute** If you believe that the invoice/quote is too high or wrong, you should:

- write “without prejudice” at the top of your letter;
- explain why you think the amount claimed is too high or wrong;
- make an offer of compromise in full and final settlement offer of a reduced amount; and
- attach any evidence to support your case.

Doing this means your letters can't be used as admissions in court – but they can be used in a dispute about the costs of any legal proceedings against the other party. To dispute the amount claimed see:

- [Disputing Amount Claimed](#) sample letters on our website

You can also request the amount of repairs be reviewed through the Internal Dispute Resolution process at the insurance company. To find the insurance company details

see: [Find a financial firm or superannuation fund](#) on the [Australian Financial Complaints Authority \(AFCA\) website](#). **Step 3: Confirm any settlement in writing** You should always get any settlement confirmed in writing. You should also be clear on what it is you are settling – is it all losses arising from the accident, or just the cost of repairs, or just hire car costs. If you only settle the repair cost, you can find yourself being chased later for other costs (e.g. hire car) from the insurer, or the other party directly.

To find out how to confirm a settlement see:

- [Put it in writing](#) on the LawAccess NSW website
- [Sample terms of settlement](#) on the LawAccess NSW website.

What if we can't agree on a settlement? Ultimately, if a negotiated outcome cannot be reached, the other party (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. If the claim is under \$20,000 and run in the Small Claims Division of the NSW Local Court, the amount of legal fees is capped according to a scale based on the amount being disputed. Information about court fees and legal fees in the Small Claims Division can be found on LawAccess NSW's [What can they claim?](#) page. 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. Visit the LawAccess NSW website for information about how to respond to a claim following a car accident. You can also visit the [LawAccess NSW website](#) for practical guidance on how to respond to a Statement of Claim in the Small Claims Division of the Local Court, which deals with claims for \$20,000 or less. If you need [legal advice](#), start by contacting LawAccess NSW on 1300 888 529. You may be able to obtain free legal assistance from [Legal Aid NSW](#) or your local [Community Legal Centre](#). If you are unable to obtain free legal assistance, you may need to speak to a private lawyer. To find a private solicitor, contact the [NSW Law Society](#). You can also visit the [LawAccess NSW website](#) for practical guidance on [how to respond to a Statement of Claim](#) in the Small Claims Division of the Local Court, which deals with claims for \$20,000 or less. 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 free Financial Counsellor (1800 007 007). If you are experiencing financial hardship and dealing with an insurer, you may be able to negotiate under the General Insurance Code of Practice for a reduced amount, payment plan or a release from the liability.

Please see the [I've had a car accident and I'm uninsured](#) fact sheet on our website.