

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

If you have now received a letter of demand and an itemised invoice/quote, there are a number of steps you should take. **Check the itemised invoice/quote** Have a look at the itemised invoice/quote and check if:

1. you caused the damage
2. the repair method is reasonable given the age, make and model of the car; and
3. the repair costs are reasonable.

You may need to show the itemised invoice/quote to a smash repairer to get their opinion. You should consider whether the repairs are reasonable, not whether the repairs could have been done cheaper - repair costs vary. TIP: Insurance companies will often agree to settle the debt for a lesser amount if you can pay in full straight away.

To raise a dispute 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:

- [Sample Letters Disputing Amount Claimed](#) 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.

If you can't agree on a settlement, the other party (or their insurer) can start court action. Note: Legal costs and Court costs maybe added onto the amount claimed. Note: You can defend the claim by filing a Defence within 28 days. A defence confirms that you deny some or all of the claim and the reasons why. Before filing a defence, you should get legal advice. The Court will decide the damages based on the evidence. The Court may also make order that one party pay the other party's costs, for example, the Court may order the losing party pay the reasonable legal costs of the winning party. If you are arguing that the amount claimed is too much, you must be prepared to pay, or start paying, the amount you know you owe. To respond to a claim following a car accident see:

- [Responding to a Statement of Claim](#) on the LawAccess NSW website.

If you have received court documents, you should get [legal advice](#). You can start by contacting LawAccess NSW on 1300 888 529. You may be able to get free legal assistance from [Legal Aid NSW](#) or your local [Community Legal Centre](#). If you are unable to get free legal assistance, you may need to speak to a private lawyer. To find a private solicitor, contact the [NSW Law Society](#). **Financial hardship** If you are experiencing financial hardship and you can't afford to pay:

- If you are insured (comprehensive or third party property insurance), you should consider lodging a claim with your insurer immediately. If you can't afford to pay your excess, select the option "I can't afford my excess" below.
- If you can't claim on your insurance, you should speak to a Financial Counsellor. To speak to a free Financial Counsellor, call the National Debt Helpline on 1800 007 007. You may be able to negotiate a reduced amount, payment plan or a release from the liability under the General Insurance Code of Practice.

To offer a payment arrangement that suits your needs see:

- Sample Letter to the other party's insurer [offering to pay an insurance debt](#) on our website

To request a release see:

- Sample letter to insurer [requesting a release from debt](#) on our website