



News release

Insurance Council
of Australia

Tuesday, 24 February 2026

Insurers back laws to crack down on dodgy claims companies

The Insurance Council of Australia has backed draft laws that would give regulators new powers to crack down on unfair trading practices - and wants strong enforcement once the legislation is passed.

The *Competition and Consumer Amendment (Unfair Trading Practices) Bill 2026* would establish a long-overdue general prohibition on unfair trading practices in Australian Consumer Law, strengthening powers to crack down on predatory operators attempting to evade scrutiny.

Credit Hire Companies and Accident Management Companies (CHC/AMCs) are among the clearest targets for the new laws.

These companies provide replacement vehicles and repair services to not-at-fault drivers, recovering costs from the at-fault party or their insurer.

While routinely marketing themselves as a free service, consumers have reported numerous incidents of serious harm, including:

- Signing up to the service after being led to believe they were dealing with their own insurer, or that the service had been authorised by their insurer
- Legal action commenced in their name without their knowledge
- Being pursued for costs when recovery against the at-fault party fails
- Harassment over inflated bills, with vehicles being held to ransom until payment is made

The Bill would strengthen consumer protections against these practices in consumer law. If passed, the laws would need to be backed by active enforcement to deliver meaningful change for consumers.

The Australian Competition and Consumer Commission's (ACCC) existing mandate makes it well placed to both educate operators on their new obligations and pursue those who don't comply.

The Insurance Council will continue working with Treasury to ensure the final framework is streamlined and consistent across financial services legislation and does not add unnecessarily to the industry's existing \$3.5 billion annual regulatory burden.

The submission is available on the Insurance Council's [website](#).

Quotes attributable to ICA CEO Andrew Hall:

The last thing someone who's been in an accident needs is a dodgy operator misrepresenting who they are and pushing services they don't need.

These laws address a genuine gap, and we support them.

The next step is making sure operators understand the new obligations and that enforcement follows for those who don't.

We'd urge policyholders to be cautious about unsolicited approaches and to go directly to their insurer if they need help or have concerns about who they're dealing with.