

## NOTICE OF FILING

### Details of Filing

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File Title: AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION v AUTO &  
GENERAL SERVICES PTY LTD ACN 003 617 909  
Registry: QUEENSLAND REGISTRY - FEDERAL COURT OF AUSTRALIA



*Sia Lagos*

Registrar

### Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.

**Concise Statement**

No. \_\_\_\_\_ of 2026

Federal Court of Australia  
 District Registry: Queensland  
 Division: General

**IN THE MATTER OF AUTO & GENERAL SERVICES PTY LTD ACN 003 617 909****AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION**

Plaintiff

**AUTO & GENERAL SERVICES PTY LTD ACN 003 617 909**

Defendant

**A. NATURE OF THE PROCEEDING**

1. Between 1 March 2020 and 16 July 2024 (the **Relevant Period**), the Defendant (**Auto & General**) represented in advertisements to consumers that an 'online discount' would apply to types of car, home, and motorcycle insurance that were policies "initiated<sup>1</sup> online" as defined in terms and conditions published by Auto & General.
2. The terms and conditions made clear that the discount did not apply to policy renewals. However, the terms and conditions did not state that the discount would cease to apply after an amendment was made to insurance policies that were initiated online and otherwise fell within the terms of the discount.
3. There were two groups of representations. One group of representations was made pre-contractually in advertising material to induce consumers to purchase policies online. The other group of representations was made when some customers informed Auto & General of changed circumstances and were quoted amended premiums for the continuation of the same policy which no longer included the online discount.

<sup>1</sup> Some advertisements over time referred to a policy "purchased" online, others to a policy "initiated" online. The use of the term "initiated" in this Concise Statement covers both forms of advertisement.

Filed on behalf of (name & role of party)	Australian Securities and Investments Commission, Plaintiff
Prepared by (name of person/lawyer)	Anne Gubbins
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4. ASIC alleges that, on at least 29 million occasions in relation to the first group of representations and on approximately 39,661 occasions in relation to the second group of representations, Auto & General made representations which were false or misleading in contravention of ss 12DB(1)(a) and/or 12DB(1)(g) of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**).

## **B. IMPORTANT FACTS GIVING RISE TO THE CLAIM**

### **Background**

5. Consumers need to be able to rely on the pricing promises made to them by insurers, and insurers need to make sure that they pass on those promises in full.
6. From 2007, Auto & General offered an **Online Discount** which was a percentage discount on the premium for the first year of cover to customers who initiated online certain Budget Direct branded car, motorcycle,<sup>2</sup> or home insurance products<sup>3</sup> (the **Relevant Products**).
7. Auto & General's computerised pricing system was, however, set up such that if a customer who had purchased a policy with the Online Discount sought to make certain types of changes to their policy during the first year of cover, the premium calculated post-amendment would not include the Online Discount (the **Pricing System's Configuration**). Those policy changes include changes to the insured vehicle, the insured address, or change to the premium payment frequency<sup>4</sup> (**Relevant Amendments**).
8. That the Pricing System's Configuration worked that way was a "feature" rather than a "bug", in that the pricing system applied a configuration setting of "N" in applying the Online Discount for Relevant Amendments, but "Y" for other transaction types. The pricing system was capable of being set to apply the Online Discount following Relevant Amendments.
9. In 2016 and 2017, several staff of Auto & General with responsibility for the promotion and management of the Online Discount communicated about the Pricing System's Configuration, identifying that customers making Relevant Amendments for car insurance products were losing the benefit of the Online Discount. The discovery was made through a process that involved the incomplete testing of the application of the Online Discount to home insurance products. Those staff included the Head of the CCO Team, General Manager - Marketing and Platforms, General Manager - Motor Underwriting & Product

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<sup>2</sup> From June 2020.

<sup>3</sup> Specifically, the types of policies were: (a) for car insurance, comprehensive car insurance, third party property, fire and theft cover insurance and third party property only car insurance; (b) for home insurance, combined home and contents insurance, home building insurance and contents insurance.

<sup>4</sup> Specifically, the Relevant Amendments were: (a) for car insurance, change to the insured vehicle, change to the insured address to an interstate address and change to premium payment frequency; (b) for motorcycle insurance, change to the insured vehicle and change to the insured address to an interstate address; (c) for home insurance, change to the insured address and change to premium payment frequency.

Management, General Manager – Pricing, Associate Director – Underwriting, Senior Manager – Business Analytics, CCO Innovation and Motor Underwriting Manager.

10. In May 2022, the Associate Director - Motor & Lifestyle Products, General Manager - Motor & Lifestyle Pricing, the General Manager - Pricing Product, Underwriting & Pricing and the General Manager - Motor Underwriting and Product Management and a Senior Compliance Consultant were alerted to the Pricing System's Configuration in relation to car and home insurance products.
11. The Pricing System's Configuration applied to all Relevant Products, such that a deficiency in respect of the treatment of one type of insurance product should have alerted Auto & General in 2016 and 2017 to the Pricing System's Configuration being deficient in respect of all Relevant Products, including motorcycle insurance when introduced in June 2020.
12. None of Auto & General's advertising, the terms and conditions, nor any of its other published materials nor call-centre operator scripts mentioned that the Online Discount would no longer be applied during the first year of cover following Relevant Amendments. Nothing communicated to customers during the process of purchasing insurance online alerted them to that feature of the Pricing System's Configuration. Customers were not told, when quoted post-Relevant Amendment premiums, that the Online Discount was no longer honoured for those premiums.
13. Not remedying the Pricing System's Configuration allowed Auto & General to gain additional customers and also to earn additional income (\$3,302,692) during the Relevant Period, being the value of the Online Discounts not honoured by Auto & General following Relevant Amendments in respect of approximately 39,661 customers.
14. Auto & General commenced a customer remediation program in 2024.

#### **Policy Commencement Representations**

15. During the Relevant Period, Auto & General published advertisements in a variety of media including online by its "Budget Direct" website (**Budget Direct website**), which offered the Online Discount to customers. An example of such an advertisement appears at **Schedule A**. Although disclaimers with the terms and conditions formed part of the advertisements, none mentioned the effect of the Pricing System's Configuration.
16. The number of potential customers to whom Auto & General published online and other advertisements promising the Online Discount cannot be precisely quantified. However, during calendar years 2020 to 2023, the Budget Direct website (which advertised the Online Discount) was viewed over 29 million times by over 17 million unique visitors.

17. By the conduct in advertising the Online Discount to potential customers without disclosing the Pricing System's Configuration, Auto & General represented to each person who viewed the advertising of the Online Discount on the Budget Direct website expressly, a representation as to a future matter, that new customers would receive the Online Discount on the whole of the first year's insurance policy premium (before government charges, taxes, levies and fees) if they initiated the purchase of a Relevant Product online within the terms and conditions (the **Policy Commencement Representations**).
18. By reason of the matters in paragraphs 7 to 14 above, the Policy Commencement Representations were false or misleading with respect to the standard, quality, value or grade of the services, or further or alternatively the price of the services because:
  - (a) Auto & General had not configured its pricing systems to apply the Online Discount following Relevant Amendments; and
  - (b) Auto & General did not have reasonable grounds for making the representations as it was aware by its relevant staff of the Pricing System's Configuration and it did not and could not know whether a customer would make a Relevant Amendment during the first year of the policy.

#### **Policy Amendment Representations**

19. During the Relevant Period, approximately 39,661 customers who were within their first year of cover of Relevant Products made Relevant Amendments and continued to hold the same policy of insurance with Auto & General after making a Relevant Amendment.
20. The Relevant Amendments resulted in Auto & General's pricing systems undertaking a process known as a "rebroke", in which a premium was recalculated. Because of the Pricing System's Configuration, the "rebroke" resulted in the calculation and quotation of a premium for the balance of the first year of cover (**post-amendment premium**) without the Online Discount.
21. Customers who sought to make a Relevant Amendment were not told that the Online Discount was not applied to the post-amendment premium. The call centre operator scripts provided to staff who processed Relevant Amendments for customers did not mention the Pricing System's Configuration nor the loss of the Online Discount, nor did any part of the Budget Direct website, nor the terms and conditions, nor the online policy manager.
22. At the time of the Relevant Amendments, Auto & General was in a relationship of utmost good faith with each customer who sought to make a Relevant Amendment.

23. Customers who held a Relevant Product and who wished to make a Relevant Amendment had a reasonable expectation of being told that the post-amendment premium did not include the Online Discount which had applied to their policy to that point.
24. By its conduct in quoting the post-amendment premium to customers who held Relevant Products without disclosing that the post-amendment premium no longer included the Online Discount, Auto & General represented to customers, by its silence, that the post-amendment premium for the Relevant Product included the Online Discount (the **Policy Amendment Representations**).
25. By reason of the matters in paragraphs 7 to 14 above, the Policy Amendment Representations were false or misleading representations with respect to the price of the services, because:
  - (a) Auto & General had not configured its pricing systems to offer the Online Discount following Relevant Amendments; and
  - (b) the Online Discount was not applied to post-amendment premiums quoted to customers.

#### **C. THE RELIEF SOUGHT FROM THE COURT**

26. ASIC seeks the relief set out in the Originating Process.

#### **D. THE PRIMARY LEGAL GROUNDS FOR THE RELIEF SOUGHT**

27. Each of the Relevant Products were “financial products” and therefore “financial services” within the meaning of ss 12BAA(7)(d) and 12BAB(1AA) of the ASIC Act.
28. Auto & General made the Policy Commencement Representations and the Policy Amendment Representations in trade or commerce, and in connection with the supply or possible supply of financial services, or in connection with the promotion by any means of the supply or use of financial services, being the Relevant Products.
29. The Policy Commencement Representations were false or misleading representations as to the price of the Relevant Products and further or alternatively that that the services were of a particular standard, quality, value or grade in contravention of ss 12DB(1)(a) and / or (g) of the ASIC Act. The Policy Amendment Representations were false or misleading representations with respect to the price of services in contravention of s 12DB(1)(g) of the ASIC Act.
30. Auto & General contravened ss 12DB(1)(a) and / or 12DB(1)(g) on each occasion it published the advertisements referred to at paragraph 17 above and contravened s 12DB(1)(g) of the ASIC Act on each occasion that it quoted a post-amendment premium to a customer.

## **E. THE ALLEGED HARM SUFFERED**

31. The Policy Commencement Representations falsely represented to potential customers the true applicability of the Online Discount to the Relevant Products and the Policy Amendment Representations falsely represented to customers how the post-amendment premium had been calculated. That lack of transparency deprived consumers and customers of the ability to properly consider, in an informed way, whether the Relevant Products suited their personal financial circumstances and whether the consumers or customers should explore better value or more suitable options offered in the market. The importance of consumers knowing the true price of insurance products offered is particularly pertinent during a time when cost of living pressures are affecting Australian consumers.
32. Auto & General obtained a benefit:
- (a) from the Policy Commencement Representations in the value of the new business obtained from consumers induced to purchase new insurance policies by those representations; and
  - (b) additionally from the Policy Amendment Representations in the value of the premiums overcharged to customers who made Relevant Amendments by not honouring the Online Discount for the post-amendment premium. That latter sum, over the Relevant Period, was \$3,302,692, which was calculated by Auto & General as the figure which it paid as remediation to affected customers, exclusive of interest.

## **F. PENALTY**

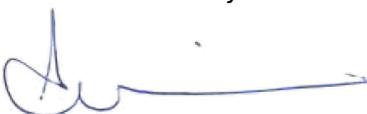
33. ASIC seeks pecuniary penalties pursuant to s 12GBB of the ASIC Act, to be determined in accordance with ss 12GBCA(2)(a), (b) or alternatively (c) of the ASIC Act.

This Concise Statement was prepared by Matthew Jones KC and Dayle Buckley.

### **Certificate of lawyer**

I, Anne Gubbins, certify to the Court that, in relation to the Concise Statement filed on behalf of the Plaintiff, the factual and legal material available to me at present provides a proper basis for each allegation in the Concise Statement.

Date: 27 February 2026



Signed by Anne Gubbins  
Australian Securities and Investments Commission  
Lawyer for the Plaintiff

## Schedule A

### Example advertisement:

**Budget Direct** Money-magazine Insurer of the Year 2017-21

Contact Us Make a Claim Retrieve a Quote Login

Car Insurance Home Insurance Travel Insurance Motorcycle Insurance Pet Insurance Roadside Assistance Other Products Existing Customers

Affected by the recent storms? We are here to help 24/7. Find out more.

**Australia's Most Award-Winning Car & Home Insurer**

CLAIMS AWARDS 2017-21 Money-magazine AWARDS 2017-21 AWARDS 2017-21 AWARDS 2017-21 AWARDS 2017-21 CLAIMS AWARDS 2017-21

4.5 stars out of 5 Read all 57,351 Reviews\*

**INSURANCE SOLVED.**

<p>Car Insurance</p> <p><b>15% OFF</b></p> <p>Get award-winning comprehensive or third-party cover for your car.</p> <p><a href="#">Get a Quote</a></p>	<p>Home &amp; Contents Combined</p> <p><b>30% OFF</b></p> <p>Insure your home building and/or contents against loss or damage.</p> <p><a href="#">Get a Quote</a></p>	<p>Motorcycle Insurance</p> <p><b>15% OFF</b></p> <p>Choose from three levels of cover plus a range of optional extras.</p> <p><a href="#">Get a Quote</a></p>	<p>Pet Insurance</p> <p><b>15% OFF</b></p> <p>Cover for eligible illnesses and injuries for your dog and/or cat.</p> <p><a href="#">Get a Quote</a></p>
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On your first year's premium for a new policy purchased online

[\\*Conditions Apply](#)

### “Conditions” which appeared at the bottom of the webpage:

#### <sup>A</sup>Online Discounts Terms & Conditions

- Discounts apply to the premium paid for a new Budget Direct Home & Contents, Home only, Contents only, Comprehensive, Third Party Property Only or Third Party Property, Fire & Theft Car Insurance policy, initiated online on or after 29 March 2017, and for a new Budget Direct Comprehensive, Third Party Property, Fire & Theft & Third Party Property only Motorcycle Insurance policy, initiated online on or after 4 June 2020 and for a new Pet Insurance policy, initiated online on or after 18 February 2021. This online discount does not apply to Roadside Assistance that is added to a Budget Direct Car Insurance policy.
- The new policy discount amount varies by product: 30% discount on combined Home & Contents Insurance (consisting of 15% discount for combining Home & Contents covers and 15% discount for policies initiated online), 15% for Home only or Contents only policies, 15% discount on Comprehensive, Third Party Property Only and Third Party Property, Fire & Theft Car or Motorcycle Insurance and 15% discount on Pet Insurance.
- A 15% discount applies to the premium paid for a new Budget Direct Travel Insurance policy initiated and purchased online on or after 7 September 2018 and cannot be used in conjunction with any other offer.
- Discounts do not apply to any renewal offer of insurance.
- Discounts only apply to the insurance portion of the premium. Discounts are applied before government charges, taxes, levies and fees, including instalment processing fees (as applicable). The full extent of discounts may therefore be impacted.
- We reserve the right to change the offer without notice.