



FACTSHEET #2 NSW MOTOR DEALERS AND REPAIRERS REGULATION 2025 - WHAT'S CHANGING



COMPENSATION FUND

Commencement: 1 September 2025

Overview

The Motor Dealers and Repairers Compensation Fund protects consumers who purchase, sell, or have repair work completed on a vehicle through a licensed motor dealer or repairer. If a licensed business fails to meet its legal obligations, such as delivering clear title, refunding deposits, or completing agreed repairs, eligible consumers can claim financial compensation from the Fund. The Fund is financed by licensing fees paid by dealers and repairers and administered by NSW Fair Trading.

Key Changes

1.

Expanded coverage

Consumers can now claim for:

- Cars more than 35 years old.
- Motorcycles more than 10 years old, including some motorcycles used partly for commercial purposes.
- Trailers and towable vehicles, which were previously excluded.

2.

Higher claim limits

The maximum amount a consumer can recover rises from \$40,000 to \$100,000.





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Key Changes Continued

3. Clearer claim categories

The Regulation clarifies the types of conduct that may trigger compensation, including misappropriation of trust money, failure to provide clear title, or breach of dealer guarantees.

4. Fair Trading oversight

NSW Fair Trading continues to assess claims and manage payouts, with authority to set levies to maintain the Fund's balance.

What Should Dealers in NSW Do?

- Review trust account and settlement practices to minimise the risk of Fund claims.
- Maintain accurate and accessible records of sales, deposits and title transfers to defend against any potential claim.
- Monitor NSW Fair Trading updates on levy adjustments that may follow from the broader coverage and higher claim caps.
- Communicate clearly with customers about deposits, delivery times, and removal of encumbrances to prevent disputes.

More Information

Further information is available on the NSW Fair Trading website - [Motor Dealers and Repairers Compensation Fund](#).