Media release

Braking Bad: Tesla's dodgy claims put to the test in Australian class action

Dangerous 'phantom braking' issues, false claims about range and products that don't work as promised; with support from Woodsford, a major class action has been filed against Tesla by class action firm JGA Saddler.

The claim alleges Tesla Australia and Tesla US marketed and sold motor vehicles manufactured by Tesla US that are defective and don't live up to the company's promises around automation and driving range.

JGA Saddler's Director Rebecca Jancauskas said it was time Tesla was held to account for the claims made about its vehicles and for their defects.

"Imagine driving down the motorway in your high-tech electronic vehicle (EV) with cruise control, or so-called Autopilot, engaged and it applies the brakes for no apparent reason," Ms Jancauskas said.

"This dangerous phenomenon, known as 'phantom braking', would terrify you and your passengers and could, if it causes an accident, result in serious injury and/or death.

"Imagine your EV has never even reached 75% of its advertised range, or the promised self-driving features, that you paid a premium of more than $5000 for, have never been delivered. For many Tesla drivers these issues are their daily reality."

Ms Jancauskas said the claim would demonstrate the company had known about a variety of defects, had knowingly overstated the vehicles' abilities for years, and had not taken sufficient action to address issues or compensate owners and lessors.

"Tesla made big promises about their vehicles' safety, performance and features such as their 'full self-driving,' but we have found a lot of these promises are falling flat," she said.

Ms Jancauskas said it was important that companies protected consumers and were held accountable for their claims.

"It is hoped this claim underscores the importance for all EV manufacturers to be truthful in their marketing, deliver on their promises, and ensure their products are safe and reliable," she said.

"Tesla customers have not got what they paid for. They were sold a car based on promises about the vehicles' self-driving capabilities, battery range, and safety features, and Tesla has not delivered. Far too many customers have experienced dangerous "phantom braking" incidents," said David Haughan, Investment Officer at Woodsford. "Tesla should take this opportunity to repair its relationship with its customers."

Who is eligible for the class action?

The Statement of Claim, which has been filed in the Federal Court of Australia, covers various Tesla models sold or leased from 25 May, 2021.

How can people join the class action?

Australians who own or lease one of the above Tesla models can find out whether they are eligible and, if so, register for the class action at www.teslaaction.com .

Who is funding the class action?

The action is being funded by Woodsford, a global leader in collective redress and litigation finance.

About JGA Saddler

JGA Saddler specialises in large and complex litigation, with a focus on class actions. Collectively our founders have over 80 years of litigation experience, 60 of which they specialised in class actions, and have secured more than $1.3 billion in class action settlements and judgments.

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About Woodsford

Woodsford is a collective redress business with a 14-year track record of delivering justice through the deployment of our financial strength alongside a wealth of commercial and legal expertise. We have a particular focus on Australia, the UK and the Netherlands and are also supporting actions in Canada, Japan and New Zealand.

Our clients are consumers (business & retail), investors and other large groups who have suffered financial losses arising from anti-competitive misconduct and other corporate governance failings at major companies.

Woodsford is a founder member of both the International Legal Finance Association (ILFA) and the Association of Litigation Funders (ALF) and is also a member of the International Corporate Governance Network.

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Further information for journalists

Access to court documents

As you may know, due to changes in procedure at the Federal Court we aren't allowed to provide non-party access to the court documents prior to the first hearing without leave of the Court: fedcourt.gov.au/law-and-practice/practice-documents/practice-notes/gpn-accs.

Reuters: Tesla created secret team to suppress driving range complaints

Reuters published a detailed special report in July 2023 about Tesla's handling of customer complaints regarding the driving range of its electric vehicles. The report says Tesla programmed its dashboard software to provide optimistic range estimates: reuters.com/investigates/special-report/tesla-batteries-range/.

Tesla ‘phantom braking’ on road trips

A search on YouTube of ‘Tesla phantom braking’ shows many examples of Tesla owners recording and experiencing the Phantom Braking Defect. Viewers will see real-life footage of how these sudden stops disrupt the driving experience, raising questions about the safety and reliability of Tesla’s autonomous driving technology: youtube.com/results?search_query=tesla+phantom+braking.

Tesla’s popularity

Teslas are the most popular Battery Electric Vehicles sold in Australia. The Electric Vehicle Council reports 34,754 Teslas have been sold so far this year (Jan – Nov 2024) alone: electricvehiclecouncil.com.au/evc-vehicle-sales-report/.