



news

Motor
Vehicle Sales Authority
of British Columbia

FOR IMMEDIATE RELEASE

Registrar of Motor Dealers targets deceptive deposit practices

(BURNABY, B.C. 8 July, 2008) - The Registrar of Motor Dealers has issued a new directive (Directive 13) to the British Columbia motor vehicle sales industry concerning the proper procedures for accepting deposits or partial payments from consumers, expressing concern that incidents of abuse and deceptive practices have become far too common.

"It is unfortunate that a small minority of salespeople and/or dealers undertaking unfavourable practices regarding deposits generate so many consumer complaints; negatively impacting the entire industry's image," said Ian Christman, the Deputy Registrar and the Director of Licensing for the Motor Vehicle Sales Authority of B.C. (VSA). "About one quarter of all consumer complaints investigated by the VSA concern deposits, exposing a pattern of abuse of consumers."

The taking of a deposit is often part of an agreement to purchase a vehicle or is a separate agreement for services, generally: to hold a vehicle; to locate a vehicle; to bring in a vehicle; and/or to arrange financing for a vehicle. If there is a written purchase agreement, the Motor Dealer Act Regulation requires motor dealers to detail the terms and conditions under which a deposit is refundable.

If money is taken as a deposit, or if nothing is said about the purpose of taking the money, and the motor dealer later claims it was for a partial or down payment, this is a deceptive act under the Business Practices and Consumer Protection Act. This may also be an unconscionable act or practice under that same Act.

Christman said that if a customer makes a deposit or partial payment, the law requires the dealer to provide a proper document with details, including details on refundability.

"Nobody should leave a deposit without knowing what it's for and they should never sign a document that has not been filled out or that they don't understand - just walk away from the dealership if the salesperson is not willing to provide proper documents and explanations," the VSA Deputy Registrar said.

More details can be found on the VSA web site www.vehcilesalesauthority.com and consumers can also phone the VSA consumer services line 604-294-9889.

- 30 -

FOR MORE INFORMATION, PLEASE CONTACT:

Judy McRae, Manager, Corporate Services and Communications, Phone: 604-293-3521