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Used, Not Abused

How to buy a pre-owned vehicle *by Ian MacNeill*

When the global credit crunch hit in the fall of 2008, new-car sales stalled by as much as 20 per cent. A year later, newly minted vehicles continue to languish on new-car lots, but industry analysts are reporting that transportation-hungry British Columbians are turning to used cars as affordable alternatives.

Fortunately, buying used is not as much

five years. And those vehicles being sold into the used-car market are better built than their predecessors, a result of manufacturers producing safer and more reliable models in order to maintain customer loyalty and satisfaction (and keep up with the competition). Also in the used-car buyer's favour is the fact that B.C. has some of the strictest consumer legislation in the world. For exam-

This does not mean that all used cars are created equal, of course. There are clunkers out there, and when shopping for a used vehicle the old rule of *caveat emptor* still applies. This is particularly true when purchasing from unlicensed private sellers, a group that includes "curbers." (Such individuals, who often have criminal records, are so-called because they typically ask to meet buyers somewhere other than their own place of residence, so buyers can't track them down when they discover they've been bilked.)

In fact, car buyers shouldn't even think about buying a used car without doing their research, advises Bob Clarke, a consultant in industry and government affairs with the Motor Vehicle Sales Authority of British Columbia (VSA). The VSA is responsible for both the administration and enforcement of "the Motor Dealer Act and its regulations and the Business Practices and Consumer Protection Act as it relates to the sale of motor vehicles," which means Clarke is well-positioned to assess the dangers of not doing one's homework. He strongly counsels buyers, regarding any vehicle being considered, to check for undisclosed liens, its collision and repair history and whether or not it has ever been reported stolen.



NET WISDOM

THERE IS A WEALTH of info available on the Internet for used-car buyers:

- www.bcaa.com/cars Tips and research tools.
- vehiclesalesauthority.com Extensive advice for both new and used-car shoppers from the Motor Vehicle Sales Authority.
- driveway.ca Advice and listings of more than 8,000 pre-owned vehicles, compiled by the New Car Dealers Association of B.C.
- icbc.com/registration-licensing/buy-vehicle/buy-used/steps-used For a checklist on buying a used vehicle.

of a gamble as it was 20 – or even 10 – years ago, when used-car lots had much in common with the neighbourhood casino. For starters, it's more of a buyer's market, due to the fact that British Columbians who buy new like to replace their rides every three to

ple, used vehicles sold through licensed dealers in this province are required to be road safe and free of liens. Additionally, sellers in B.C. must inform buyers if their vehicles have been involved in any collisions requiring as little as \$2,000 in repairs.

Under-the-Hoodwinked

PROOF POSITIVE Before buying a used car, purchasers are advised to insist on an independent "mechanical" appraisal and road test. Many reputable repair shops offer mechanical/safety inspection services. BCAA also offers a mobile, 143-point mechanical/safety inspection service for both members and non-members, and 42 dealers in B.C. now submit their used vehicles to pre-sale BCAA inspections (bcaa.com/cars). For a fee, prospective buyers can also have a vehicle's history verified by an independent agent such as CarProof. (BCAA offers this service to members through Canada Search and Registry Corp.)

BEWARE THE "CURBERS" According to the Motor Vehicle Sales Authority, curbers are unlicensed individuals selling vehicles – as a business – with undisclosed liens and/or rolled-back

odometers, previously stolen vehicles with altered identification numbers and vehicles that have been in catastrophic collisions the seller doesn't want buyers to know about. Typically, curbers advertise in newspapers and via online sites – and buyers are advised to be wary if:

- the same phone number accompanies different ads
- the seller's name does not match the name on the vehicle's registration documents
- the name on the registration documents does not match the residence the buyer is asked to attend

RULE OF THUMB Avoid sellers unwilling to allow independent inspections or who don't provide them in some other way – either through warranties or money-back guarantees that verify the vehicle is safe and in reasonably sound mechanical condition. □

As well, he says, buyers need to take the time to figure out what kind of vehicle they need as opposed to the model they want; how much they can afford to pay and how they are going to pay (by comparing financing rates) must also be considered.

When shopping for a used vehicle the old rule of *caveat emptor* still applies. This is particularly true when purchasing from unlicensed private sellers.

Today, the Internet makes this entire process a relatively easy task, with just six or seven hours spent researching models and comparing prices potentially saving a ton of after-purchase hassle, especially when it comes to determining a vehicle's true market value. And that's why it's after doing their research, and only then, says Clarke, that buyers should venture onto sales lots, where emotion often crowds out rational buying decisions. □

The Lot, or Not?

There are two sources for used cars in B.C.: dealer lots and private sellers. The best way to go? Ultimately, that decision depends on the quality of the vehicle and the price being charged. But the caveat with private sellers is that purchasers have little recourse if a privately sold vehicle – let's put this politely – turns out to be something other than advertised.

On the other hand, B.C. car dealers and their sales personnel are required to be licensed, a process that involves mandatory attendance at a two-day course focused on consumer laws and regulations, business practices, contract law and ethics. Even more important in terms of consumer protection: licensed dealers are, according to the VSA, "responsible for ensuring that the used vehicles they sell comply with the Motor Vehicle Act with respect to meeting minimum vehicle safety standards." Of course, it's also in a dealer's best interest to foster win-win relationships, given that customers are a source of both repeat business and referrals. To this end, dealers will often offer purchasing incentives that private sellers cannot match, including lien-free guarantees, warranties, money-back guarantees, safety and mechanical inspections and, in some cases, complimentary road service. □

The Dealer-in-Chief

SOME CAR BUYERS have always preferred used cars, including Ken Smith, president and CEO of the Motor Vehicle Sales Authority of B.C. We spoke with Smith about how administrative bodies such as the VSA have smoothed out the road for car buyers (there were 500,000 of them in B.C. in 2008), the virtues of used cars and what to consider when hitting the used-car highway.



WW How has the VSA helped British Columbians purchase their vehicles, both new and used?

KS: We're here to ensure that the laws applying to the selling of cars in B.C. are followed by the province's 1,650 [approximate] licensed dealers, of which as many as 400 are franchises offering both new and used vehicles. To that end, we've considerably increased dealers' responsibilities by communicating to them the laws governing their industry and the level of enforcement that applies. We also put salespeople through a two-day training program.

WW Does this mean car buyers don't need to worry about the car they buy from a licensed dealer?

KS: The consumer is better served by the work we do, but that does not mean they can proceed without caution. There are a lot of good used cars out there; however, it's still possible to buy someone else's problem. For us, the biggest issue is that consumers often don't treat vehicle transactions seriously. They fail to read the contract, for example, or don't do their research to ensure that the deal they are getting is reasonable in the marketplace.

WW You're known as someone who favours buying a used vehicle. Why?

KS: I prefer not to pay the premium attached to a new car, which can be as much as 20 per cent of its value. With today's better-built cars, there are also a lot of good used cars now on the market. Many leased vehicles, for instance, are returned to the dealer in excellent condition, with low

mileage and even some of the manufacturer's warranty still in place.

WW The VSA has started a dispute-resolution process for consumers. What does this mean?

KS: It's a Lower Mainland pilot project that we hope to expand province-wide, where mediators who are familiar with the Business Practices and Consumer Protection Act can step in if there's a dispute between a dealer and a client. Often, such disputes are over pre-purchase damage and the not-so-apparent effects of that damage on the vehicle's true value. Sometimes there is an exchange of money; sometimes the dealer will take the car back.

WW What is the most common problem in the used-car marketplace?

KS: People buying vehicles they can't afford. Buyers need to do their research not just on the car they are buying, but on how they're going to pay for it; they need to know what they can afford and the best place for financing. Sometimes it's the bank, sometimes it's the dealer.

WW In western culture, the used-car salesperson is viewed as someone who can't be trusted. Is that fair?

KS: I think those days are gone. I haven't met a salesperson who isn't interested in a repeat customer, and that philosophy extends to the used-car lot. Many dealers today, for example, offer warranties of 30 to 90 days on the used vehicles they sell. That says a lot about the confidence they have in their cars. □