



## Compensation Fund Decisions Added to Website

As part of the ongoing efforts of the VSA to increase transparency and openness, the [recent claim history](#) of the Motor Dealer Customer Compensation Fund is now available online. With claim decisions beginning April 1, 2009, details include the dealer name and licence status, the claim outcome and the amount paid out. A quick review reveals that:

- 91 of the 164 claims (55%) were approved and paid
- All but 16 claims involved dealers no longer in business
  - These were for claims in 2009 and 2010, prior to the full implementation of [new claim management procedures](#)
- All dealers still in business and with an approved claim have repaid the fund
- Only 8 claims were for the maximum allowable amount of \$20,000

The table supplements the brief overview included in every Annual Report (see below). In time, the table will be expanded to include links to more detailed decision summaries. While they will not be as comprehensive as the summaries provided for [Decisions of the Registrar](#) and [Undertakings](#), they will reveal more information about each claim.

The table also reveals how the modified claims procedures and the small dollar value of claims allowed the annual \$300 contribution for the year of April 1, 2014 to March 31, 2015 to be waived. This does not affect the three-year minimum contribution required of all new motor dealers.

### Compensation Fund Activity by Fiscal Year

Fiscal Year	2014	2013	2012
<b>Claims</b>			
Adjudicated	17	32	26
Approved	10	17	12
Amount paid out	\$29,150	\$78,000	\$102,000
<b>Type of Transaction</b>			
Vehicle purchase	17	31	23
Warranty / service plan	0	1	3
<b>Vehicle Type</b>			
Auto	17	31	21
RV	0	0	0
Motorcycle	0	1	5
<b>Dealer Status</b>			
In business	1	1	1
Not in business	16	31	25

## Offering a rebate? Make sure it's advertised correctly

Advertising rebates and incentives are a great way to draw consumers to the dealer lot. But, when done incorrectly, consumers may be misled and certain laws may be violated.

As discussed in a [previous Bulletin](#), the *Business Practices and Consumer Protection Act (BPCPA)* requires the advertised price of a vehicle to be the total price. In addition to being prominently and clearly displayed, the total price of the vehicle “must be available to all consumers with no qualifications to purchase.” If the price shown in the advertisement includes a rebate, it must be available to every consumer, or the rebate must be properly qualified as a limited offer available to only a select few buyers.

Incorrectly advertising a rebate may mislead consumers about the total price, resulting in a deceptive act under the *BPCPA*. Misleading advertising of rebates includes:

- Disguising the rebate as the sale price
- Failing to disclose the type of rebate
- Failing to disclose all of the rebate limitations and exclusions

To reduce the risk of breaching the *BPCPA*, a best practice is to specify the before rebate price, the amount of the rebate, and the terms and conditions of the rebate. And, when in doubt, look over the [VSA Advertising Guidelines](#). It gives a detailed description of all advertising requirements.