



## Leasing Reminder

[Reports](#) indicate that leases have climbed back to nearly 20% of sales. The following is a brief refresher on legal requirements unique to leasing.

### Cooling Off Period

A dealer *must disclose in writing* the information about the cooling off period before a consumer enters into an agreement:

- A consumer may cancel the lease during the period of one clear day in which the motor vehicle *must remain in the possession* of the motor dealer.
- If a consumer cancels the lease within the cooling off period, the motor dealer *must reimburse* to the consumer any deposit or other money paid related to the lease.
- A consumer is not liable to pay any charge, fee or penalty for cancelling the lease contract.

Note: *Must* is imperative, not discretionary, in B.C. law.

The cooling off period is a right of a consumer whether written into the Lease Agreement or not. However, the consumer may waive these rights, on a separate waiver document or if the waiver is clearly identified to the consumer within the lease documents they sign.

### Cooling Off Period Waiver

Unless waived, the cooling off period does not start until the motor vehicle is in the physical possession of the dealer. *The act of driving off the lot with the vehicle does not itself constitute a waiver by the consumer of their rights.*

### One Clear Day

Calculating one clear day requires knowing many factors. For example, Sundays, statutory holidays and days the dealership is closed do not count.

### Potential Consequences

The impact of failing to obtain a waiver can be significant when a consumer exercises their rights. For example, a unique or difficult to sell vehicle, ordered from the manufacturer, could be refused by the buyer when it arrives using these rights. The consumer could not be charged anything. Or, a vehicle transferred into the name of the leasing company and then returned under these provisions, would need to be sold as a used vehicle.

**References** Sections 30 & 31 of the *Motor Dealer Act Regulation*  
Sections 25 & 29 of the *Interpretation Act*

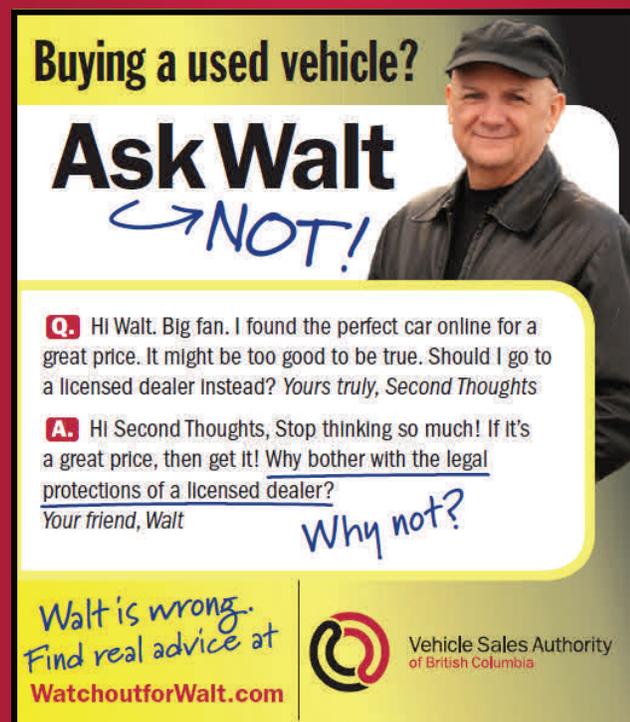
## Lease Buy-Out Inspections

Under B.C. law, motor dealers are required to ensure that a lease vehicle meets the safety requirements of the *Motor Vehicle Act* before it is sold. This includes when it is sold to the current leaseholder using their buy-out option.

A best practice is to have the vehicle inspected prior to sale. However, requirements that the leaseholder pay for this inspection, or to have the work completed prior to the buy-out transaction, must be based on terms agreed to in the original lease agreement.

A more detailed review of this issue can be found in the [March 2011 Bulletin](#).

Look for Walt's "advice" in your local Black Press newspaper!



**Buying a used vehicle?**

**Ask Walt**  
↳ NOT!

**Q.** Hi Walt. Big fan. I found the perfect car online for a great price. It might be too good to be true. Should I go to a licensed dealer instead? *Yours truly, Second Thoughts*

**A.** Hi Second Thoughts, Stop thinking so much! If it's a great price, then get it! Why bother with the legal protections of a licensed dealer?  
*Your friend, Walt*

Why not?

Walt is wrong.  
Find real advice at  
[WatchoutforWalt.com](http://WatchoutforWalt.com)



Vehicle Sales Authority  
of British Columbia