



Regulatory Update: Part 2

In recent weeks, two organizations were found to be in violation of federal regulations. They serve as reminders for dealers to be aware of the laws that govern their industry and ensure compliance in all business practices.

Misleading Advertising Puts Avis and Budget at Risk for \$30 Million Penalty

In the most recent bid to enforce *all-in pricing* across Canada, the federal [Competition Bureau](#) is seeking a [\\$30 million penalty](#) – the maximum fine – against Avis and Budget for misleading advertising and fees. The required extra fees added up to an additional 35% from the advertised price. The Bureau is alleging the fine print and verbal representations implied the fees were required by government. Online and traditional media advertising were examined as part of the investigation.

All-in pricing, or *total price*, is also part of B.C. legislation for motor dealers in the sale of a motor vehicle. A consumer can reasonably rely on an advertised price for a vehicle as being the total price to purchase that vehicle (excluding taxes). Surprising consumers with extra fees or stating they are mandatory could be considered deceptive acts under the *Business Practices and Consumer Protection Act*. This is similar to the Competition Bureau's interpretation that this type of conduct breaches the misleading advertising provisions of the federal *Competition Act*.

This VSA [Bulletin](#) details advertising compliance, and the continuing education module, *Advertising for Salespeople*, covers this and other advertising issues.

VSA Strategic Business Plan Available Online

The VSA's [Strategic Business Plan](#) for the fiscal years 2015-16 to 2017-18 is now available to be viewed on the VSA website.

The three year plan supports the VSA mission to build confidence in the motor vehicle sales marketplace.

\$1.1 Million Penalty for Breach of Canada's Anti-Spam Legislation

A [\\$1.1 million penalty](#) has been issued to Compu-Finder for breaching [Canada's Anti-Spam Legislation](#) (CASL). The Ontario company allegedly committed four violations when they sent commercial electronic messages (CEMs) without consent. The Canadian Radio-television and Telecommunications Commission ([CRTC](#)) works with the Competition Bureau and the federal [Privacy Commissioner](#) to enforce CASL.

CASL became law on July 1, 2014. The purpose of this law is to protect the privacy and security of all Canadians in electronic commercial communications. Dealers and salespeople are reminded that a CEM, as defined by CASL, is any form of electronic message used to solicit someone's business. Consent to solicit is required in many cases.

A VSA [Bulletin](#) was issued in 2014 on CASL compliance and the continuing education module, *Privacy for Salespeople*, covers CASL and other provincial and federal privacy legislation.

Note: See [Part 1](#) of the Regulatory Update for an Insurance Council dealer fine and in-house financing and leasing compliance.