



## Unlicensed Salespeople Results in Dealer Suspension

A [recent decision](#) by the Registrar highlights the need to ensure that all dealership sales employees are licensed. An Okanagan dealer was called for a hearing before the Registrar for operating with unlicensed salespeople. Evidence was presented that only the Dealer Principal had a valid licence. Furthermore, an unlicensed employee engaged in salesperson conduct on two occasions while the licensed salesperson was away from the dealership. The dealership also failed to provide documents.

The Registrar of Motor Dealers ordered a three-day suspension of the dealer's licence. In addition to further licensing conditions, the dealer is not allowed to be open for business unless there is a licensed salesperson present.

A recent consumer complaint initiated due to a deposit issue resulted in the discovery of an unlicensed salesperson at another dealership. In addition to the investigation of the original complaint, the dealer will be held responsible for licensing non-compliance.

Selling motor vehicles to consumers without licensed salespeople is a violation of the *Motor Dealer Act* and the *Salesperson Licensing Regulation*. Motor dealers are responsible for all employees and must ensure that those with customer contact related to sales are licensed. The motor dealer licence will be put in jeopardy if unlicensed salespeople are employed.

The quickest way to check the status of your staff is to use the [VSA website](#) to confirm the expiry date of each salesperson's licence.

## Off-Road Vehicles and the VSA

The recent change in registration requirements for off-road vehicles has raised several enquiries from both dealers and consumers. The *Off-Road Vehicle Act* was recently brought into force and requires that all off-road vehicles are registered and plated – this includes golf carts, snow vehicles and mobiles, ATVs, trucksters and restricted use motorcycles.

Even though off-road vehicles need to be registered, they do not come under the jurisdiction of the VSA. The jurisdiction of the VSA is limited to "motor vehicles" as defined in the *Motor Dealer Act*. The definition of "motor vehicle" in the *Motor Dealer Act* did not change and still does not include all-terrain and off-road vehicles, such as the ones described above.

## No Compensation Fund Waiver for Fiscal Year 2016 - 2017

The Registrar of Motor Dealers has determined that the annual \$300 contribution to the Motor Dealer Customer Compensation Fund by all dealers cannot be waived for the next year. For the first time in three years, the fund has dipped below the \$1 million threshold set as a prudent minimum. Despite active claim management and relatively low claim payouts, the required contributions from new dealers are not enough alone to maintain the fund balance. As a result, dealers will see the \$300 assessment appear on their licence renewals beginning April 1, 2016.