



Advertising Reminders – Part 2

Dealer Compliance in National Ads

Recent media stories have included allegations that some dealers are distributing misleading promotional materials. These stories, additional consumer complaints and VSA investigations have resulted in negative publicity as well as administrative penalties. These topics will be addressed in two parts:

Part 1 – Marketing Campaigns

Part 2 – Dealer Compliance in National Ads

Dealer Compliance in National Ads

Many franchise dealers choose to use a manufacturer's ad template or are required by their manufacturer to participate in multi-dealer advertising. This is permitted. Manufacturers who do not sell vehicles to consumers are exempt from the *Motor Dealer Act* and they may not develop ad templates with BC law in mind. However, if a B.C. dealer's name appears on the ad, it is a local dealer ad and that dealer is legally responsible for its content. Here are some important reminders:

Showing the *total price* of the vehicle, including any documentation and other dealer fees, is required. If multiple dealers are mentioned in a group ad, options for compliance include:

- The highest total dealer fees, including any documentation fee, must be mentioned
- Or, a note specifying the added fees for each dealer must be made
- Freight and PDI must be included in all ads, including for motorcycles
- Dealer fees must not be represented as government or VSA fees

The tire levy on new vehicles and new tires placed on used vehicles as part of a sale must be charged accurately:

- The \$5 per tire fee cannot be charged for a spare if the vehicle has no spare
- Any fees collected in error should be returned with interest
- This levy does not need to be included in *total price* as it is a government levy

The recovery of the air conditioning tax levied on the manufacturer and passed on to the dealer must not be misrepresented:

- The AC tax is not a consumer tax obligation and cannot be represented as a tax
- If the manufacturer has passed on the cost of the AC tax to the dealer, and the dealer wants to recover that cost from the consumer, it must be explained as a recovery fee the dealership is adding
- The amount must be accurate. Any overcharges must be returned with interest.

The battery levy was discontinued in July 2010 and cannot be charged. Any funds collected in error since that date must be returned with interest. Some dealers continue to use purchase agreements with one line item that says "tire and battery levy." This can be confusing to the consumer and in a recent CTV W5 report, it appears salespeople are not being properly trained that the battery levy no longer exists. The VSA suggests having these purchase agreements modified to no longer reference a battery levy.

Resources: [Undertakings](#) are posted on the website and advertising requirements can be reviewed using the [Continuing Education Module – Advertising for Salespeople](#). The [VSA Advertising Guidelines](#) give the most detailed description of all advertising requirements.