



Recall Best Practices

With additional recalls and the shortage of repair parts, such as airbag inflators for the Takata recalls, it's important to review your selling practices.

What does the VSA tell consumers about recalls?

A recall on a vehicle is a product quality or warranty issue between the consumer and the manufacturer. In general, recall oversight is a federal government responsibility. The VSA has [recall resources](#) on the [VSA website](#), but the VSA website is not intended to be a comprehensive source of recall information.

Should dealers and salespeople be concerned about recalls?

Yes. An uncorrected recall on a new or used vehicle is likely a *material fact*, particularly if it is safety related or limits usability in some way. Failing to disclose an uncorrected recall or providing incorrect information about recalls may be a deceptive act. An allegation of a deceptive act regarding a recall may be within the jurisdiction of the VSA. This may include recalls known to the dealer and not yet made public.

Who decides if a recall is *material*?

The position of the VSA is that if the problem is serious enough for a safety recall, that problem is likely a *material fact*.

Can I sell a vehicle with an outstanding recall?

Dealers may sell a vehicle with an outstanding recall unless a 'stop sale' or 'stop driving' order applies. However, dealers must use due diligence to identify outstanding safety recalls using available resources. Outstanding recalls for serious safety issues are *material facts* that should be disclosed on the sale or lease contract.

When must I sell vehicles with an outstanding recall as *not suitable for transportation*?

If a recall would make a vehicle non-compliant with the *Motor Vehicle Act*, then it cannot be sold until corrected. Or, it must be sold as *not suitable for transportation*. You must document a *not suitable for transportation* sale with disclosures on the vehicle, the purchase agreement and in advertising.

What are the *best practices* with regard to buying or selling vehicles with recalls?

- Due diligence, full disclosure and good documentation are advised
- Know where the recall was made, as a recall in the United States may not be a recall in Canada
- Know the full scope of the recall. Check with the manufacturer using the VIN.
- Go online. Although they are imperfect, resources include:
 - Government of Canada's [general recall website](#)
 - The US National Highway and Traffic Safety Authority [VIN specific limited recall look up](#)
 - CARFAX [recall check by VIN](#) includes the majority of Canadian recalls

Previous Bulletins were published in [2014](#) and [2015](#) with recall information.