



## Customer Referral Fees

Dealerships are often tempted to offer a reward or fee to current satisfied customers when they refer another buyer to the dealership and a vehicle is purchased as a result. These programs, including those promoted by some manufacturers, are illegal in BC.

### Why are bird-dogging fees contrary to BC law?

As previously clarified in the [November 2012 Bulletin](#), under BC law, a salesperson is any individual who acts on behalf of a motor dealer with the expectation of receiving a fee, gain, or reward and who participates in any way in the sale of a motor vehicle to a consumer.

<u>Sale</u>	<i>Any sale, lease, transfer, or supply of a motor vehicle to an individual primarily for their personal or family use</i>
<u>Participate</u>	<i>Soliciting, negotiating or arranging any part of the sale</i>
<u>Soliciting</u>	Asking consumers, in any way, if they are interested in a motor vehicle
<u>Negotiating</u>	Encouraging consumers, in any way, to discuss the terms of an agreement
<u>Arranging</u>	Planning or preparing a sale, including by referral or locating financing

Based on these definitions, any individual referring consumers to a motor dealer in the expectation of a fee, gain, or reward meets the definition of a salesperson. If they are not licensed as such, BC law will have been broken.

The purpose of licensing a salesperson is to be able to review that person for suitability to interact with the public and be able to hold them accountable for any misconduct when influencing a consumer's buying decision. For this reason, an individual who will receive a "fee gain or reward" for "in any way" influencing a consumer's buying decision, must be licensed.

### When is a greeter a salesperson?

Based on the above definitions, a greeter must have the duties normally associated with a receptionist to avoid qualifying as a salesperson. If a greeter acts with the expectation of receiving a fee, gain, or reward, and participates in any way in the sale, lease or "supply" of a motor vehicle to a consumer, they must be licensed.

## Public-At-Large Member Needed for the Compensation Fund Board

The Motor Dealer Customer Compensation Fund (MDCCF) Board has vacancy for a qualified member of the public. Experience in administrative tribunals and administrative law is beneficial.

[The full selection criteria and application procedures are available here.](#)

To be considered, the required nomination papers and all supporting documents must be received by 5:00 p.m. on Friday, December 23, 2016.