



## Referral Programs are Illegal in British Columbia

If a manufacturer, dealer or salesperson offers anyone an incentive to refer another buyer to purchase a vehicle in B.C., the *Motor Dealer Act* is violated.



## Bird dogging fees are against the law in British Columbia

A motor dealer or manufacturer must not create or offer an incentive program in B.C. Taking a proactive step to incentivize the referral of customers is illegal in this province.

An individual who receives a fee, gain, or reward from a motor dealer or manufacturer for influencing a consumer's buying decision in any way becomes a salesperson, and therefore must be licensed.

The purpose of licensing a salesperson is to be able to review that person for suitability to interact with the public and to be able to hold them accountable for any misconduct when influencing a consumer's buying decision.

### What is legal?

A motor dealer or manufacturer may provide a referrer with a reward or thank you gift, **so long as there was no expectation of a fee gain or reward when the referral was made.**

In these cases, the dealer has not created an incentive program, and therefore is not motivating the referrer with incentives that would potentially lead to conduct that needs to be regulated.



The following terms are relevant to referral fees and the sale of a vehicle:

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