



April 7, 2020

Dealer Alert

REMOTE SALES

When the Ontario Government narrowed the list of essential workplaces on Saturday, a few things became clear:

- Dealers had to close showrooms and physical operations relating to vehicle sales and leasing.
- Online or remote sales could continue in some fashion.
- Repairs could continue as an essential workplace service, but parts sales could only continue online or with curbside pickup or remote delivery.

With test drives from a dealer's premises prohibited, remote test drives, i.e. test drives from a customer's home or other location, have become a confusing and controversial issue. OMVIC has declared that remote test drives are not permitted.

It's safe to say that most people will be reluctant to consider purchasing a used vehicle without having had the chance to test drive it. Having said that, it's impossible to go on a test drive in most vehicles with a customer and maintain the two metre (six foot) distance between each other.

The need for this social distancing is the reason that dealers were taken off of the essential services list. To go on a test drive with a customer defeats the entire purpose of the prohibition of sales from dealer's registered premises.

So does no test drive mean no sales Period?

We don't think so.

The UCDA suggests that members consider the following option:

During this shut down, in lieu of a pre-sale test drive, all purchasers be given a 100% refundable period after taking possession and ownership of a vehicle. If the customer is not

satisfied during this period, they can return the vehicle, no questions asked, for a full refund.

Members can determine for themselves how long this period would be. It could be 24 or 48 hours, or three days, seven days or ten days. You decide.

Of course, maximum km limitations could be put in place and the vehicle would need to be returned in the same condition as when sold. All these details should be included in writing on the bill of sale or a separate agreement signed digitally.

Following this model, prior to delivery, all documents will have already been signed digitally, payment will have been made and the vehicle will have been insured, registered and plated in the customer's name.

Many members have followed similar policies for years. In their experience, very few buyers choose to exercise their return rights as long as the vehicle is as advertised.

This kind of policy will not only instill confidence in your customer that you will stand behind the vehicle. It shows respect for the importance of social distancing and the protection of both your customers and your employees. If widely adopted, it will send a strongly positive message about our industry to government, media and the general public.

We strongly recommend that you give it serious consideration.