

USED CAR DEALERS ASSOCIATION OF ONTARIO

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TEL: (416) 231-2600 or 1-800-268-2598 • INTERNET: www.ucda.org

28 Years of Growth 1984 - 2012

www.ucda.org

April 2012

Vol. 25 No. 04

LOOK FOR THE SIGN



That's the message consumers will see on our TV commercial being aired for the month of May.

The UCDA decal will be strongly promoted in the commercial which asks buyers to look for that sign at their local dealership.

Take advantage of the UCDA's Consumer Awareness Program that's designed to showcase the values of buying from a UCDA member dealer.

You probably have the decal on your window or door of your dealership, but does your online or print advertising tell customers that you're a UCDA member?

Spring Campaign

The province-wide TV campaign will be featured nightly on the 6 pm news.

The objective of the UCDA's advertising is to let potential buyers know that the ads are talking about you.

To download a UCDA decal for online and print advertising go to www.ucda.org.

6 pm Nightly News
CTV • CBC • GLOBAL • CHCH • CKWS
and
Radio drive time on
680 News, Toronto, CFRA – Ottawa
570 News, Kitchener,
and
Leader Banners daily at Autotrader.ca

UCDA's Consumer Website

The TV commercial, the radio commercial and the banner ads will highlight the values a UCDA member provides and guide potential purchasers to www.ucda.ca, our Consumer website.

The consumer website focuses on the reasons to buy from a UCDA member, pointing out the pitfalls of buying "privately". A special section helps consumers understand what "curbsiders" are and includes curbsider videos.

There's also a section explaining the UCDA's Mediation process and how it helps consumers and members resolve differences over a transaction.

Consumers are able to search the website to see if the dealer they're considering is a UCDA member.

We post our member's website address in the search result box, so now would be a good time for you to check if we have your correct website address.

Disclosure At Auction

You're taking a vehicle to a dealer-only auction. You know the vehicle has been in an accident. It was repaired at a cost of \$2,400, but the auction's rules only require disclosure of an accident over \$3,000. Do you sell without disclosure?

Auctions have rules established to govern the process under their roof. Dealers who buy and sell there agree to abide by those rules when they register to participate. Breaches of those rules can lead to action by the auction such as "arbitration". These are rules however and not laws. Beyond the confines of the auction, laws govern the purchase and sale of motor vehicles by dealers.

The reason why you should declare an accident under \$3,000 might be because it is a "material fact" ie. the kind of fact a reasonable person would want or need to know in deciding whether to buy the vehicle. That is the second part of the accident disclosure requirement in the Motor Vehicle Dealers Act, 2002, regulations that people often forget about.

You may not run afoul of the auction's rules by not declaring it, but in the world outside the auction the buyer, and those he sells to, still have the legal rights afforded to them by legislation in Ontario like the MVDA.

When in doubt, the best policy is full disclosure of what you know ... and let the vehicle stay sold!

Honesty is the Best Policy ... Some Luck Helps, Too!!

A member called our legal department recently to discuss an upcoming OMVIC inspection. He wanted to ensure that he had all the right information and documents that the inspectors might ask for.

After discussing the garage register, bill of sale and other things the inspector would want to see, the member mentioned that when making the appointment the inspector had also asked him to have copies of his advertising with him.

Turned out, the member regularly charged an administration fee on top of the price shown in his web site ads and print ads. His ads also didn't indicate that tax and licensing were extra.

During the phone call with the UCDA, the member was surprised to learn these were both violations of the Motor Vehicle Dealers Act and have been for more than two years!

With all that's been sent out to dealers by the UCDA and OMVIC about advertising it was pretty surprising that this member did not know about the advertising requirements of the MVDA!

We advised him to change his web site and print ads ASAP and suggested he tell the inspector they had been unaware of the law, but would comply with it from now on.

The member made the necessary changes prior to the inspection and was able to show the inspector compliant print and on-line ads. He also told the inspector about his call to the UCDA and admitted his ads had been wrong.

Not surprisingly, the inspector had seen the earlier improper web ads. But no charges were laid because the dealer had corrected the current ads and was honest about the past ads.

The member's honesty may well have saved him from being charged, but he was also lucky. The inspector would have been fully justified in writing up a report that could have led to charges or disciplinary action. Fortunately for this member, the inspector was satisfied that he was now in compliance and left it at that.

The message to take from this ... don't wait until OMVIC contacts you to correct things.

Regularly check all your ads ... on-line ... print ... broadcast ... even signs in vehicle windows on the lot. They're all considered to be advertising.

It was nice to hear how things turned out for this member, but we get calls almost every week from others, AFTER, they've been charged or have received a discipline hearing notice for non-compliant advertising.

If your ads are not compliant, please change them immediately. Don't wait for OMVIC to contact you. By then it may be too late.

NAPA Sales Surge

While used car sales in the first quarter of 2012 have been anything but buoyant, auto repairs volume appears to have grown substantially.

NAPA purchases by our members are up by 20% this quarter compared with last year and some members are showing more than a 40% increase.

Following a great year, where members received over \$1,000,000 in rebates, 2012 is promising to be another banner year.

Complaints And Your Customer

Resolving complaints is never easy. Your customer has just bought a vehicle and if there is a problem soon after, they will be disappointed (or worse).

You'll be unhappy too because, rather than a clean sale, the vehicle has now become a "come-back" headache.

It's precisely at times like this that dealers must strive to keep emotions, on both sides, in check. Anger and frustration can lead to rash decisions and hasty words.

This balancing act is not made any easier when the customer starts bringing in family, friends or other dealers!!! to do their talking for them.

Quite the contrary, this often adds to the temperature and ratchets things up considerably.

Politely remind your customer, and those that are 'just trying to help', that you have a contract for the sale of the vehicle to the purchaser (or purchasers) and that is who you must deal with. There's a good reason for this.

Without talking directly with your customer, you will never know their "real" concerns or what it will take to satisfy them. The path to quick resolutions of complaints is to keep things simple.

And remember, if you reach an impasse, the UCDA offers relief in the form of free mediation, to try to help everyone find solutions without the need for OMVIC or the courts to get involved. Just call the UCDA Mediation Service at 416-231-2600 or 1-800-268-2598.

Salvage Auctions and Liens

Buying a car at a salvage auction?

Protect yourself, do a lien search, before you take possession of the car. Don't assume the insurance company or the auction have done one, because they probably haven't.

When cars are written-off, more often than not, insurance companies don't search to find if there are liens on the vehicles. Even when they do a search, the procedure is to make the settlement cheque payable to both their insured and the lien holder (the secured party, usually a bank).

It's amazing how some of these insured consumers can cash the cheques without the bank being paid out ... leaving the lien on the vehicle you've bought.

Getting the lien removed before you can sell the car can be a long drawn-out process. And you won't find the bank anxious to help. (No surprise there)

In the last several weeks, we have dealt with the following problems encountered by dealers who bought at salvage auctions and either resold the vehicle or tried to:

- A consumer had their vehicle repossessed by Honda Finance due to an undiscovered lien;
- A consumer wrote off their vehicle and had their settlement held up due to an earlier lien by a bank;
- A dealer spent thousands of dollars repairing a vehicle he bought, only to find 2 liens when he tried to sell it! The auction told him to "get a lawyer"!

So ... Buying a car at a salvage auction?

Do a lien search, it's your only protection!

Kijiji Curbers Charged

Following the release of the UCDA's Curbsider report, "Kijiji's Curber Heaven", OMVIC lost no time in tracking down some of these curbsiders.

And track down they did. OMVIC currently have 21 investigations ongoing and learned that some of the larger volume curbsiders were actually dealers posing as private sellers.

From the 21 investigations, they've determined that at least 8 were typical curbers. Three of them have been charged:

- Mathavara Supramaniam (Brampton)
- Shripragas Sivasubramaniam (Toronto) (Convicted \$2500 fine)
- Zubair Memon (Brampton)

Two curbers have charges pending and three received warnings.

Of the 9 dealers found, 2 of them were charged

- Ahmed Salami o/a Lifetime General
- Buy Right Auto

Four others will go before the Discipline Committee (where the fines are often many times higher than they can get in court), while 3 dealers were cautioned.

OMVIC is continuing its curbsider enforcement and more charges and convictions are expected.

One thing has become clear. The only way to dramatically reduce curbsiding is to find a way to cut off their source of supply. That is a priority that OMVIC is pursuing and may be the surest and fastest route to limit curbers from fouling our industry.

Growth with Carpages.ca

Carpages have told us that 2012 is off to a great start for our members who advertise with them. The number of unique visitors to Carpages.ca has increased 25% from this time last year.

Both of the UCDA websites provide links to ucda.carpages.ca giving consumers the ability to find cars that members have listed with Carpages.ca. The traffic to ucda.carpages.ca has grown more than 3.5 times over last year.

As you think about your online advertising plans, keep in mind that as a UCDA member, when you advertise with Carpages.ca, you also get exposure on both of our sites at no extra cost. The result is a high traffic web portal with over 200,000 vehicle views per month, which means it's a place your vehicle inventory needs to be.

Your Website

Carpages' "DealerSite Plus" is a "cost-effective, fully customizable and SEO-optimized dealer website platform that members can take advantage of.

It's designed for dealers large or small, and they believe it enhances the dealer's online image with a highly functional website that projects the dealer's professionalism.

If you aren't sure that your dealer website is performing as well as it should be, you may want to consider talking to Carpages.ca about "DealerSite Plus".

If you'd like to speak with someone about getting on to Carpages.ca with almost 600 of our members, give Carpages.ca a call at 1-866-567-2437 and they'll be happy to help.

Daily Rentals ... Dealer Charged

Dealers that sell daily rentals without proper disclosure continue to get hammered at Discipline Committee.

Last week, the latest dealer to be charged agreed to pay a fine of \$8,000, write to any customer whose bill of sale didn't state "daily rental" and "compensate" the customer if they say they didn't know.

The dealer also agreed to pay the cost for any of his salespeople who take the OMVIC Certification Course.

Sometimes the lack of a written disclosure is due to poor paperwork. Sometimes it isn't.

Either way, when a regular OMVIC inspection brings this issue to light ... the dealer gets charged.

Who Are You?

... Don't Keep it a Secret!

We've written a fair bit lately about dealers being charged by OMVIC for improper advertising. It's not just what's in an ad that can lead to problems ... what's not in an ad can also result in charges, fines and penalties.

OMVIC reports that recent investigations have shown that many dealers are not including their name in advertising. This is a violation of the MVDA 2002.

The UCDA's recent curbsider study found that many apparently 'private' ads in Kijiji were placed by curbsiders. But, a large number of those ads were also placed by dealers pretending to be private sellers. We view dealers posing as private sellers no differently than curbsiders advertising and selling this way. Bottom line ... it's illegal.

The MVDA 2002 requires all dealer advertisements to include the dealer's registered name and phone number.

The only exception is where there is not enough space for the name, as may be the case in a classified ad. These ads must, at the very least, include the word DEALER.

Internet ads aren't limited for space and must always include a dealer's registered name and phone number.

Members should check all advertising, including on-line ads, whether on sites like Kijiji, or on your own website, and ensure that the ads meet all requirements of the MVDA 2002. If in doubt about something, don't hesitate to call us.

Dealers violating any part of the advertising requirements of the MVDA 2002, may face prosecution, discipline, and potentially even a proposal to suspend or revoke their registration ... all of which have happened.

Did You Know?

- Canada is an Indian word meaning "Village"
- The first Fords had engines made by Dodge
- A cat has 32 muscles in each ear
- Mark Twain didn't graduate from elementary school
- Al Capone's business card said he was a used furniture dealer

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