

UCDA'S AUTO CHECK™

Now Includes Accident Dollar Amounts!!!

The most affordable accident check report in the industry just got a lot better!

When an insurance claim is reported to Auto Check™, the information you see will now include the dollar amount of the claim. As always, the information also includes the date of loss and the type of claim (e.g. collision, theft, vandalism, etc.).

The dollar claim information will help members comply with the MVDA's requirement to disclose damage to vehicles which cost more than \$3,000 to repair, and more.

Auto Check™ reports still contain all the other information they always have about a vehicle, including:

- Cross Canada Registration Status
- If the Vehicle has been imported from the US
- If the Vehicle is reported as Stolen
- If the Vehicle has been subject to a CAMVAP Buyback
- Odometer readings from the Drive Clean program

Plus ... whether a vehicle has passed a Drive Clean test and if so when ... important information with the new test now in place. A Drive Clean Pass is valid for 12 months.

Of course, dealers should always thoroughly inspect every vehicle for signs of damage, even if no claim shows on an Auto Check™ search, because NO accident search is perfect.

We're keeping the price of an Auto Check™ report low \$8.00 ... still by far the least expensive insurance claim search available to UCDA members.

And, until January 31st, members can receive their first five Auto Check™ reports ABSOLUTELY FREE!

Auto Check™ and the whole family of UCDA searches are available at www.ucdasherches.com, or by calling 416-599-7412 or 1-800-268-2598.

AUTO CHECK
ACCIDENT CLAIMS REPORT
UCDA

Auto Check™ has searched 19 databases to prepare the following report

VIN	Description	Report date
XXXXXXXXXXXXXXXXXX	2004 Mazda MAZDA6 i	2013-01-21

SUMMARY

Accident / Incident Claims	YES There are insurance claims reported against this vehicle for over \$3000
Branded	YES Vehicle has been branded by an insurance company as SALVAGE
Out of Province	YES This vehicle has been registered in 2 jurisdictions
USA	YES This vehicle has been imported from the USA
Reported Stolen	NO This vehicle is not currently reported as stolen
CAMVAP	YES Manufacturer Buyback Vehicle
Emission Test Pass	NO 2012-12-13 - Failed

DETAILS

Accident / Incident Claims History
 Auto Check™ has searched for the following insurance claims records: Collision * Damage to vehicle possible total loss * Other damage to vehicle * Theft of vehicle * Fire * Vandalism * Hail * Windstorm * Glass / windshield damage * Theft of contents and Other Claims

Date	Type of Claim	Amount
2007-10-23	Collision	\$11656.00
2007-10-23	Other Property Damage to insured vehicle	\$5916.00

Canada-Wide Vehicle Registration Status
 All Provinces and Territories in Canada have been searched

Province	Status
Ontario	Salvage
Quebec	Rebuilt
USA	Registered

US Import
 Auto Check™ has searched the Registrar of Imported Motor Vehicles database

This vehicle has been imported from the USA

Canadian Police Information Centre
 The RCMP database of stolen vehicles

This vehicle is not currently reported as STOLEN

Canadian Motor Vehicle Arbitration Plan
 The CAMVAP database of Vehicles bought back by the Manufacturer
 The Manufacturer was ordered to buyback this vehicle. If you are considering purchasing this vehicle you may want to confirm that the applicable repairs have been made.

COMPLAINT: Computer/Electrical - Ordinateur/Eacute;lectriciteécut, Accessoires/Accessoires

ODOMETER READINGS

Auto Check™ has searched the database of Ontario's Drive Clean Program up to December 31, 2011.

Date	Readings
2008-04-10	11309KM
2010-03-11	15956KM

Used Car Dealers Association of Ontario | Phone 1.800.268.2598 or 416.231.2600
 Information contained in this report is intended for reference purposes only. UCDA assumes no liability for errors and omissions in the data made available through Auto Check™.

It's All About the Appraisal

On January 2, 2013, Mark Toljagic writer for the Toronto Star, said it best...."repair bill will leave you breathless".

The article was referring to the high cost of repairs to the gizmos and gadgets that are on older "out of warranty" used vehicles. He went on to say that "mechanical glitches can punish the unwary something awful".

In the May/June, 2012 edition of [Front Line, "Hybrid Alert"](#) we highlighted the need for a better appraisal of Hybrid/High-tech vehicles for mechanical issues that can cost a small fortune if you are not careful with trade-ins and dealer/auction purchases.

Drive Clean

The new Drive Clean program is now in effect and for dealers, once again it means doing a better appraisal.

You need to find out if warning lights are on, or don't come on at all when a vehicle is started and perform a system check, looking for defect codes that could be costly to fix.

This will help avoid taking vehicles in that have had codes cleared without required repairs being performed or that are "not ready" to be tested.

More than ever, a proper appraisal is necessary. Without question, in the long run, taking the time to properly appraise a vehicle, will save you time and money.

Like paint testers to detect signs of accident repairs, diagnostic scanners have now become an essential tool for dealers.

The UCDA's appraisal forms have been amended to include all of the MVDA disclosures, and a hybrid/high-tech section that includes a warning light question.

Appraisal forms are available from the UCDA.

Credit Card Pitfalls

Dealers continue to find themselves on the wrong side of credit card payment reversals. Dealers need to keep in mind that they accept a certain amount of risk whenever they accept payment by credit card over the phone (or by fax). Such payments are known in the industry as *card not present* transactions.

Most credit card companies reserve the right to recover funds from a merchant if the card holder contests the

payment when the merchant does not have the credit card slip signed by the owner of the card and does not have the card imprint. These are known as *chargebacks*.

One dealer took \$3,000 down on a credit card and delivered the vehicle. The balance was paid by financing. Because the dealer took the credit card payment over the phone he did not have the slip signed or the card imprint.

The customer disputed that the payment was agreed to and the credit card company simply took the \$3,000 out of the dealer's bank account! The credit card company did not seem to care that the goods were actually delivered!

Of course, this does not even address the risk of taking cards over the phone when it comes to fraud.

Having delivered two vehicles this way, another dealer received a call a month later from a company in Manitoba asking what the charges on their credit card statement were for ... needless to say they were not the same person the dealer thought she had sold the cars to!

Once this company reports the fraud to the credit card company, the dealer knows the money will be taken from their account and they will be scrambling to try and recover the vehicles.

Prevention

When taking orders over the phone ask for the 3 digit security code or number on the back of many cards. If the caller can't give this, it means they don't have the card.

Ask for the expiry date and include it in your authorization request. Ask for multiple forms of ID, preferably photo ID. Where possible, get the authorization slip signed and take an imprint of the card on delivery.

More information can be found at: <http://visa.ca/merchant/security/fraud-warning-signs/card-not-present-security.jsp>

Guaranteed Trade-in Values

Most dealers are probably aware of the prohibition, for many years now, against promotions that invite customers to "*push, pull or drag*" their trade-in to a dealership with the promise of some guaranteed wind-fall in terms of trade-in value.

The practice was outlawed because it led to obvious abuses with each dealer trying to outdo the other in terms of their apparent generosity on trade values. All this did was encourage more and more misleading advertising,

misrepresentation and games like increasing the price of the vehicle being sold to "create" higher trade-in values.

In October, OMVIC sent a Bulletin to dealers in response to what OMVIC describes as a "recent trend" toward seeing more of this kind of problematic advertising. OMVIC gives some specific examples of terms to avoid in your ads to prevent running afoul of the prohibition:

"Claims such as the following are obvious attempts to get around the prohibition and may not be used in advertising:

- "trade-in voucher worth \$xxxx"
- "we'll give you up to \$xxxx more for your trade"
- "mention this ad and receive up to \$xxxx"
- "print this trade-up bonus and receive up to \$xxxx"
- "trade up and receive up to \$xxxx for your trade"
- "all trades accepted. Extra \$xxxx paid for (insert vehicle make)"
- "push, pull, drag your trade in for \$xxxx guaranteed"

Note: this is not a complete list; these are meant as examples only. Other wording with similar meaning would also be considered non-compliant."

To see the entire Bulletin please visit:

<http://www.omvic.on.ca/pdf/OMVIC%20Bulletin%20Guaranteed%20Trade-in%20Allowances.pdf>

Drive Clean Concerns

As we wrote in the December Front Line, one of the biggest problems our members are having with the new Drive Clean On-Board Diagnostic (OBD) Test is the issue of getting a vehicle "ready" to be tested.

Whether a vehicle is in a non-ready state due to a recent battery replacement, code reset or other servicing, if there is no flaw or problem, the vehicle will need to be driven for a period of time at different speeds to recreate a diagnostic "record" for the Drive Clean system to check ... and hopefully pass ... the test.

Here is a 'generic drive cycle' that should allow most vehicles' OBD systems to become "Ready" for testing:

- Step 1: Make sure the vehicle has been parked for eight hours without a start.
- Step 2: Start the engine and let it idle **In Drive** for two-and-a-half minutes with the Air Conditioning (A/C) and rear defroster on.

Step 3: Turn the A/C and rear defroster off. Drive the vehicle for 10 minutes at highway speeds.

Step 4: Drive the vehicle for 20 minutes in stop-and-go traffic.

Step 5: The drive cycle is complete.

For the 'generic drive cycle' to work the gas tank should be ¼ to ¾ full and the vehicle must be driven smoothly and avoid rapid acceleration

Depending on the make and model, drive times can range from as little as 30 minutes to as much as a matter of days of city and highway driving.

Rather than testing a "not ready" vehicle over and over and over, and paying \$35 over and over and over, it's much more time and cost efficient to purchase an inexpensive hand held OBD scanner.

Prices can range from as low as \$60 to the low hundreds, depending on the functions of the scanner. A basic scanner will confirm the vehicle's "readiness" and more expensive ones can help identify what's wrong with a vehicle's OBD system and what monitors or codes are related.

One way to avoid a last minute panic getting vehicles ready, is to test vehicles shortly after buying them. A pass result is good for 12 months to sell a vehicle. Unlike a Safety Inspection, dealers don't need to worry about the pass expiring before the vehicle can be sold.

Some test facilities chose not to renew their licenses to continue with the new Drive Clean program or were late in doing so and were not ready on January 1st. We've heard from some members, especially in smaller towns and rural areas, that there are no test facilities nearby.

The Ministry of the Environment has assured us that they are adding new facilities every week and hope to have any gaps filled soon. We hope so too, but, unfortunately, until they do, those dealers will need to drive farther to have a test performed.

The UCDA will continue to communicate with the Ministry on the Drive Clean issue, to try and minimize the impact the new program is having on members. **This includes questioning the need to test vehicles less than 7 years old at all.**

The Ministry has already recognized that newer vehicles are not as much of an emissions concern in exempting those vehicles from the need for testing for licence plate renewal. We see no logical reason why this exemption should not be extended to apply to the sale of vehicles, as is the case in British Columbia.

"It's Like Finding Money"

That's just one of the comments from members about the UCDA's Credit Card Processing program through Desjardins.

Although Credit Card companies are implementing across the board increases on all processors later this year, the UCDA/Desjardins program remains the best deal by far.

At 1.7% for Visa and 1.9% for MasterCard plus a \$10.00 per month administration fee, some members will save thousands of dollars this year. In the first three months more than one hundred members have inquired and are in the process of switching to Desjardins.

UCDA Member Posters

In the spring of 2013 the UCDA will again, be running our province-wide ad campaign telling consumers to "Look for the Sign" and "Buy where you see the UCDA logo".

For the first time, the UCDA is making available to members two 24" x 36", high quality posters for display in your dealership. This clearly identifies you as a member to consumers.

The messages on the posters go hand-in-hand with the message in the advertising ... buying from you, a

One member said, "Our processing cost this month was \$600 less than the same month last year" and the sign up process went very well. Some of our smaller independent dealers will see annual savings of more than \$1,000.

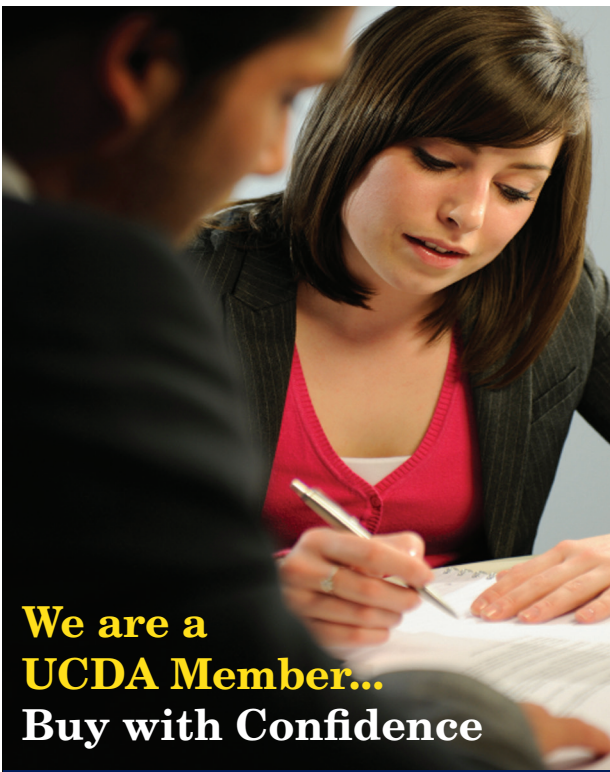
"These are savings on bank charges...who wouldn't want to do that" said one independent dealer member.

Call Desjardins at 1-855-223-8345 and ask about the UCDA Program to find out how much you will benefit from this new member service.

UCDA member, means consumers can buy with confidence and highlights the reasons why.

For \$10.00 plus HST, members can have both posters. The price includes shipping and handling. The posters will be available February 1st.

We have a limited number of posters, so reserve yours today. To order simply send your member number, business name and your name to posters@ucda.org or call the UCDA at 1-800-268-2598 or 416-231-2600 and ask for Virginia.



**We are a
UCDA Member...
Buy with Confidence**

**MEMBER
USED CAR DEALERS
UCDA
ASSOCIATION OF ONTARIO
Buy With Confidence**

The UCDA has over 4,800 members in almost 500 communities across Ontario.

Our goal is to help foster a fair used vehicle buying experience that safeguards both the consumer and the dealer.

**BEFORE
YOU SIGN ...
LOOK FOR
THE SIGN.**



**MEMBER
USED CAR DEALERS
UCDA
ASSOCIATION OF ONTARIO
Buy With Confidence**

The UCDA has over 4,800 members in almost 500 communities across Ontario.

Our goal is to help foster a fair used vehicle buying experience that safeguards both the consumer and the dealer.