

SAVE OVER 50%

Reduce Your Vehicle Search Costs by over 50%

Since the UCDA released Auto Check™ with insurance claim dollar amounts, hundreds of members have taken advantage of significantly lower prices than they had been paying for reports, some cutting their costs by more than 50%. But we've also heard from members asking about information that is not on Auto Check™.

Dealers need to remember ... no vehicle information report is 100% accurate. People fix cars for cash, large fleets and daily rental companies self-insure collision damage and don't report repairs ... and yes, insurance companies and adjusters also make mistakes.

Auto Check™ Data

Here's what you will get when you purchase an Auto Check™:

- Real time insurance claims data including the reported dollar amount of the claim payout.
- U.S. and Canadian registration information with branding. If Auto Check™ determines that the vehicle was formerly a U.S. vehicle you get a free Carfax™ to identify the state(s) of registration (as required by the MVDA).
- Canadian Police Information Centre stolen vehicle information.
- Drive Clean pass data and odometer readings reported at past Drive Clean tests.

Paint Meters

Because of the inconsistency of these vehicle reports, the UCDA recommends the use of a paint meter to detect unreported and undisclosed accidents when you are appraising a trade-in.

Appraisal Process

Use a paint meter on every vehicle and record the readings. Most vehicles will read between 4 and 6 microns of paint.

Complete an appraisal form and get the customer's signature confirming the information they are giving you.

Run an Auto Check™ for only \$8.00. If the paint is consistent,

there's no sign of past accident repair and Auto Check™ is "clean", then chances are, the vehicle has not suffered any significant past damage.

If the paint readings show repainted areas and Auto Check™ shows no claims, and if the customer can't or won't tell you what happened, then you may choose to run some other report to see if it contains any further information or have a more careful look at the car.

Real Savings

If you run an Auto Check™, Ontario Lien Search and Vehicle Owner History on the same VIN, on the same day, you pay just \$29 for all three. That's a 20% savings from regular pricing, and the savings quickly add up!

The following chart shows the relative cost of various searches on 100 vehicles.

Example Of How Much You Can Save			
	Auto Check™ Alone	Auto Check™, Lien Search & Vehicle Owner History	Other Report
100 reports	\$800	\$2900	Up to \$4500

Let's say you still want to verify 10 of these vehicles by running a different report. Depending on which report you run, you may spend up to \$450 for these extra reports. But, you would still save money by having run Auto Checks™, instead of these other reports, on the rest of the vehicles.

Using Auto Check™, a paint tester and by running a lien search and vehicle owner history search, the UCDA process gives you more disclosure information than any other report.

Paint Tester Available at MacMillans

As an auto dealer supply partner of the UCDA, MacMillans offers paint meters to UCDA members at a discounted price of only \$445.00. And for the month of May only, UCDA members pay just \$424! Contact MacMillans at 1-800-263-7183, or visit their booth at Manheim Toronto.

Introducing Carpages.ca for iPhone

Nearly 10% of Canadians who are shopping for a used vehicle today are doing so from their iPhone.

This is a staggering fact that wasn't true even 12 months ago, but shows how fast the world is changing. In response to this change in market behaviour, Carpages is pleased to announce that in March, they launched a brand new iPhone app for consumers.

The new app allows consumers to search for used vehicles in their city or region, and to filter by price, mileage, vehicle type, make, model, and year. Searching is very easy to use and understand.

After performing a search, a consumer is presented with a list of results that can be scrolled through with a flick of the finger. Each vehicle in the search result shows a thumbnail photo of the vehicle, a brief description, price, odometer reading, and location of the vehicle or dealer.

Tapping a vehicle from the search result page directs the consumer to a full vehicle view with multiple photos and a complete description, including vehicle features.

From here, the consumer is able to contact the dealer easily by tapping on the dealer's phone number – which initiates a voice call to the dealer, or by sending the dealer an email from the vehicle listing page.

There is also an option to view the dealer's location on a map, or copy the dealer's address into Google Maps for turn-by-turn driving directions to the dealer's place of business.

Another useful feature of the app is the ability for the user to "star" vehicles, adding them to his or her list of favourites for easy reference. This is done simply by tapping the star icon that appears at the top of every vehicle listing.

As more Canadians begin using mobile devices in their vehicle quests, we will continue to enhance our mobile offerings to ensure that our member's inventory is accessible to anyone, anytime, anywhere.

Annual General Meeting

The UCDA Annual General Meeting will be held on May 23, 2013 at 6:00 p.m at the Travelodge Toronto Airport Hotel, 925 Dixon Road, Toronto.

The Agenda will include a review of the Association's activities, the election of directors and appointment of the Association's auditors.

Exporting Concerns Continue

The UCDA continues to be concerned with the number of buyers asking not to pay HST because they are "exporting" a vehicle.

As our members know, our advice is to collect tax when you sell a vehicle. If someone thinks they are entitled to an exemption for export they should apply to the Federal Government for a refund after they have paid you the HST.

But if dealers are going to do these deals, they should at least do them right. We had a call at the end of April from a member who was handed a "bill of lading" from a buyer, who:

- did not want the vehicle in his name;
- took delivery from the dealer;
- paid no tax; and
- showed the dealer copies of previous bills of sale to prove he "does this all the time".

See Anything Wrong Here?

In previous issues of Front Line we have said that dealers need to be very wary of buyers who don't "want" to pay HST because they plan to export the vehicle out of the country.

Unless the dealer handles the export, and does it properly, the dealer MUST collect HST at the regular rate of 13%. Dealers who export properly do not deliver the vehicle in Canada to the buyer.

Instead, the dealer ships the vehicle using a proper common carrier and obtains a legitimate bill of lading from the port of export (i.e. Montreal or Halifax or Vancouver) as proof the vehicle left the country.

Be on the alert if your buyer tells you to handle the sale in some other way, insisting they don't pay tax and that "they know the tax rules because they do this all the time." If your buyer tells you they do this regularly that's a dead giveaway that you're dealing with a "business". If they are not registered as an "export dealer" with OMVIC, they are curbsiding.

This message was brought home recently for a UCDA member who was unfortunately served with a Notice of Discipline Complaint on accusations (among other things) that the dealer knowingly supplied a curbsider. In this case, it was a business, without a dealer licence, that was buying cars from him for the purpose of export.

Now, facing a possible fine in the thousands of dollars, this dealer is regretting not asking more questions of the exporting curbsider.

Desjardins Programs Gaining Traction with UCDA Members!

Desjardins Ready-to-Drive Loan

The Desjardins Ready-to-Drive Loan consumer financing product has been making inroads with the UCDA member base. Currently, over 350 member have signed on and are processing loans. Here are some compelling reasons:

- Reserves up to 4.5%, with a cap of \$4,000
- Financing available for vehicles from \$5,000 and up
- Competitive terms up to 96 months for new vehicles with current rates starting at 4.54%
- Financing of used vehicles for up to 96 months (depending on vehicle age and credit risk) and models up to 10 years of age, for up to 36 months (now you can retain those clean older trade-ins for retail)
- Desjardins offers a comprehensive rate grid allowing you, the dealer, to choose the rate and term that best suits your customer
- Desjardins will also finance boats, RVs or motorcycles that qualify at very attractive rates and terms as well
- Access to tools and loan calculators online that make your selling process more efficient.

For more information on the Desjardins Ready-to-Drive Loan financing product, qualification, or how to apply, you can go to www.ucda.org and look for the Desjardins logo in the Member service area, or you can send an email to ucda@scd.desjardins.com.

Point-of-Sale Payment Solutions

Another great Desjardins program offered to UCDA members is the Point-of-Sale payment processing solution. UCDA has negotiated a member-wide rate that will likely lead to significant cost savings every month. Desjardins Preferred Pricing for the UCDA has proven average monthly savings of \$300 to \$600 against the competition.

Did you know the UCDA program with Desjardins *does not have?*

- Non-Qualified Transaction fees
- Interchange Differential fees
- Assessment fees
- Cross-Border fees
- Settlement fees
- Adjustment fees

... and your existing processor probably does.

In addition to payment processing solutions, Desjardins also has a parts and repairs financing program that you can customize for your dealership (i.e. 12 equal payments for new snow tires). How about utilizing customized gift cards to entice customers to return for their next vehicle or oil change? All of these products can be integrated with one point-of-sale device.

For your "no obligation" complimentary pricing/saving analysis, please call Desjardins at 1-877-871-0114 and ask to speak with Blas David. You can also reach Blas directly at 416-473-2527 or by email at jose.blas.david@scd.desjardins.com.

Extended March Pricing Madness

If you haven't had a chance (and even if you have), you can still take advantage of our extended "March Pricing Madness" sale for Auto Check™, Lien Search™ and Owner History search package. Go online to www.ucdasherch.com or phone or fax our search department before May 31st, 2013 and sale pricing will still apply.

For the month of May, when you do all three searches on the same VIN, on the same day, you'll not only save 20% off regular search pricing, as an added bonus we'll also send you two, 24" x 36" full-colour posters to display in your dealership. Both posters convey the same message to your customers: "Buy with confidence from this UCDA Member."*

Our Three-Search Package Includes:

... an Auto Check™ ~~\$8.00~~ **Sale: \$7.00** **

... an Ontario Lien Search ~~\$12.50~~ **Sale: \$9.00**

... an Ontario Vehicle Owner History Search ~~\$16.00~~
Sale: \$13.00

Do these 3 searches on the same VIN, on the same day, and **the total price for this REAL vehicle history will be just \$29!**

Real time insurance claims with dollar amounts on:

- Auto Check™
- Real time Ontario Lien Search
- Real time Ontario ownership history

*Extra posters can be ordered for just \$10 for both, plus HST, by calling 1-800-268-2598 or emailing: posters@ucda.org.

**If the Auto Check™ shows a U.S. import ... you'll get a FREE Carfax™ report ... the most comprehensive U.S. vehicle information report available ... a \$15 value.

"Mandatory Fees"

In late April, following complaints from several dealers and negative media reports focusing on dealer practices in some western provinces, OMVIC sent out a bulletin reminding dealers how to treat optional add on products when selling or leasing vehicles.

For members who may not have seen it, portions of the bulletin are reproduced below:

Are products or services a dealer installs prior to sale such as anti-theft products or nitrogen in tires mandatory?

Any mandatory charges (such as preinstalled products or services) must be included in the advertised and negotiated price. A dealer may decide not to sell a vehicle unless a preinstalled product/service is paid for in which case the consumer then has the option to purchase or not.

OMVIC's advice to consumers is that they only agree to pay for add-ons they believe have value and that they want to purchase.

Note: should a salesperson state or infer that a product or charge (other than HST/licensing) is mandated by the government or OMVIC the statement would be considered false, misleading or deceptive and they could face administrative action by OMVIC.

It is reported that some dealers add fees after the consumer has negotiated a final price. Is this legal? This answer has two components.

For advertising: Ontario has strict regulations regarding dealer advertising; any advertisement that includes a price for a vehicle must be an all-in price. To add any fee (e.g. admin fees, freight, PDI, mandatory preinstalled product/service, etc.) above the all-in price is illegal.

For the negotiations: OMVIC's view, which will be enforced, is that consumers can assume when they negotiate a price that they are negotiating an all-in price and that any price representations made by a salesperson during the sales process also reflect an all-in price that includes all fees the dealer intends to recoup except HST and licensing.

Any later attempt by the dealer to add fees, such as those listed above, could be seen as a breach of the Code of Ethics. This includes where the fees may be added in the F&I office which is also considered part of the sales process. Note: F&I staff must be registered.

What about the sale of additional products and services?

A dealer may sell additional products and services which have value and it is expected that the dealer stands behind these products and services.

The salesperson, however, must fully and truthfully explain each product and service and the consumer has the right to decline such additional items.

If the dealer considers that a product/service is one which must be included with the purchase of the vehicle because it's already installed, then the costs for this product or service is considered by OMVIC to have been included in the advertised all-in price and in the all-in price negotiated by the salesperson.

Some consumers have reported to OMVIC they didn't even know charges for products had been added until months later when they reviewed their contracts.

OMVIC's Code of Ethics specifically requires dealers and salespeople to explain the contract and to be clear and truthful in describing the features, benefits and prices connected with the vehicles they sell and in explaining the products, services, programs and prices connected with those vehicles. Consumers must be provided the opportunity to decline additional products.

Penalties

Dealers and salespersons are advised the penalties for breaching the MVDA or CPA are severe. Individuals convicted can face maximum fines of \$50,000 and/or two years less a day in jail. Corporations can face fines up to \$250,000. Dealers or salespersons could also face a discipline hearing (maximum fine \$25,000) or revocation of registration.

The Bottom Line

Bottom line advice for members ... don't add the cost of add-on options to the bill of sale or lease unless the customer has already agreed that they want to purchase the product.

OMVIC will take a dim view of dealers who hand a bill of sale or lease to a customer for signature with the purchase of an optional product already shown and added to the bottom line price, as if it were mandatory.

*These products should **only** be added **after** they have already been fully discussed with the customer who has agreed to purchase them.*

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