

# UCDA CONDUCTS SERVICE ONTARIO SURVEY

Not many services are more important to dealers than the vehicle registration and licensing services provided by Service Ontario. Dealers simply couldn't function without being able to transfer vehicle registrations into and out of the names of retail customers and other dealers. And a quick turnover time for this service is, more than ever before, expected by customers.

From time to time, members inform us of concerns they have with the service they have received at their local Service Ontario office. Some complaints relate to a specific visit, maybe involving an unusual transaction. Others complain of ongoing issues with a particular office ... problems that don't seem to occur at other locations.

That's why we recently asked members to complete a survey on the quality of service they receive when they visit a Service Ontario office. Over a two week period, more than 500 members responded to the survey on Survey Monkey. The results showed a wide range in satisfaction levels at different offices.

Here are some of the highlights:

- 70% of respondents said they were satisfied with the service they receive at their local Service Ontario office. Of course, this means that 30% are **not** satisfied. Would you be happy if 30% of your customers were unhappy? We expect Service Ontario would agree that this level of unsatisfied clients shows improvement is needed.
- Some of the major concerns expressed included long wait times, poorly staffed dealer lines, or in many offices

no dealer line at all, lack of knowledge, lack of assistance, inflexible attitudes towards minor paperwork errors and just plain rudeness. Several members made comments such as "a smile would be nice sometimes".

It was clear from the recurrence of similar comments that certain Service Ontario offices stand out as "problem" offices for members.

On the positive side, many members were highly complimentary of the service they received and of the friendliness of staff at their local offices. 28% of respondents gave their local office a perfect 10 in service.

We plan to offer the survey results to Service Ontario for them to review and hope to meet with officials to discuss some of the recurring issues and problem offices identified by the survey. The identity of members will not be shared.

Members across the province deserve better treatment and service than they're receiving at some Service Ontario offices. Service levels should not vary to the degree the survey indicates from one office to the next. Satisfaction should be consistently high regardless of which office a dealer visits.

We hope that the survey results will help Service Ontario identify these problem areas and problem offices and that changes to improve service can be made. In some cases it may be as simple as a friendly greeting and a smile!

Service Ontario can and should do better than 70%!

### Robert G. Beattie Scholarship

The UCDA has begun a scholarship award program in honour of former Executive Director, Bob Beattie, who passed away three years ago.

An annual \$1,500 scholarship will be awarded to each of two students entering their second year of studies at the Automotive Business School of Canada at Georgian College in Barrie. One scholarship will be awarded to a student in the four year degree program and one to a student in the three year diploma program.

Recipients must demonstrate academic achievement, a commitment to their studies, a passion for the automotive industry and show that financial assistance will greatly benefit the student.

The 2015 award winners were presented with their scholarships on October 15 by UCDA Executive Director, Warren Barnard. This year's recipients were:

- Liam Stanford of Milton – Degree Program
- Abderraham Zerkani of Brampton – Diploma Program

Congratulations to each award winner! The UCDA wishes each of them success in their continuing education.

### Are OMVIC'S Discipline Fines Fair?

We live in a world where non-compliance with laws and regulations can be punished in a variety of ways. In the case of violations of the *Motor Vehicle Dealers Act* regulations, these can range from revocation of a licence, to court charges to internal discipline penalties, through OMVIC's discipline process.

For all its faults, our justice system has numerous levels for appealing the penalties imposed. Proposals to revoke a dealer or salesperson registration can be appealed to an administrative tribunal ... very similar to a court ... while convictions in provincial court can be appealed to a higher court. We would like to believe that one rule of thumb used, is that the worst offender receives the most severe punishment.

For example, street racing has higher penalties than speeding in general, driving with small amounts of alcohol results in a warning and slightly higher levels ... a 12 hour suspension. Over the limit has ZERO tolerance ... as it should.

On its face, OMVIC's disciplinary process shares those principals. Over the past few years, OMVIC has shifted its enforcement away from the courts and proposals to revoke registration and into the process known in the industry as "Discipline".

One benefit of the discipline process is speed. Another is that it's typically less expensive for both the dealer and OMVIC than a court hearing. As well, the first level of the appeal process involves another discipline hearing, rather than an Appeals Court.

The maximum penalty that can be imposed by a discipline panel is \$25,000 with typical first discipline complaint penalties of between \$5,000 and \$10,000. Second discipline appearances often draw fines of about \$15,000 to \$20,000. It's the level of these penalties against dealers that cause concern.

Courts would generally not impose fines anywhere near the level of penalty that the discipline process does, often for some rather trivial first offences, where no consumer was harmed. Some examples include:

- A dealer sells a vehicle not disclosing it as a previous daily rental on the bill of sale. OMVIC orders the dealer to contact the customer and to get a reply in writing whether the customer **did** or **did not** know. The customer confirms that they did know, but the dealer is still put through the discipline process and fined thousands of dollars.
- A dealer sells a car for a couple of hundred dollars over the advertised price, the dealer is ordered to pay the customer back and the dealer is still put through the process. Again, the penalty is in the thousands of dollars.

Courts simply would not levy fines this high for such minor offences, where no consumer harm resulted.

### A Better Way?

We believe that the disciplinary process should be reserved for instances of serious non-compliance, such as deliberate over pricing, blatant non-disclosure, intended and recurring misrepresentation and unregistered selling.

Minor offences should be dealt with through education. The certification course, on-line webinars and mandatory continuing education for offenders are all options.

And, more importantly, the **individual registrants** that are actually responsible for deliberate non-compliance should appear before the Discipline Panel and those individuals are the ones that should be fined and ordered to take the certification course.

If the discipline process is expected to encourage a change in behaviour ... discipline those that are creating the problems. Otherwise, the assembly line of hearings will continue and little will change in the industry ... and "Discipline" will continue to be a steady source of revenue for OMVIC.

## Big Fines for Toronto Curbsiders

Some positive curbsider conviction news courtesy of OMVIC.

Two long-time curbsiders, various accomplices and a corporation, were handed some hefty fines by a Toronto Provincial Court on September 28th.

First charged and convicted in 2010, **Amilcar Luis Monte Rey Nunez** and **Anibal Salomon Monte Rey Rios** have again been convicted of a variety of offenses including curbsiding.

Guilty pleas were entered on behalf of the defendants with respect to the charge of curbing as well as violations under the *Consumer Protection Act*.

A company, **2141212 Ontario Corp. o/a Monterey Auto Repair**, received fines totalling \$16,500 while the following individuals were each fined as follows:

- |                                 |          |
|---------------------------------|----------|
| • Amilcar Luis Monte Rey Nunez  | \$12,500 |
| • Anibal Salomon Monte Rey Rios | \$11,500 |
| • Sergio Ruben Monte Rey Nunez  | \$9,000  |
| • Bianca Daniela Lopez          | \$2,500  |
| • Alejandra Penarrieta          | \$2,500  |

In addition to the total fines of \$54,500, an extra 25% will be added for the victim fine surcharge required by the courts. The defendants have 12 months to pay.

## Certification Course Classes

There are five scheduled MVDA certification classes, taught by UCDA Member Services Director, Bob Pierce, remaining in 2015. Classes are held at Wye Management's training facility, 55 Wings Road, Unit 5, in Woodbridge, unless otherwise noted:

- Wednesday, November 4th – Woodbridge, ON (Hwy. 7 & Weston Rd.)
- Thursday, November 12th – Woodbridge, ON (Hwy. 7 & Weston Rd.)
- Monday, November 30th – Ottawa, ON (Hilton Garden Inn)
- Thursday, December 3rd – Woodbridge, ON (Hwy. 7 & Weston Rd.)
- Thursday, December 10th – Woodbridge, ON (Hwy. 7 & Weston Rd.)

### Wye Management – Basic Sales Techniques Class

We have two more Wye Management Basic Sales Training courses this year, with discounted rates for students taking the certification course. These courses are also offered at Wye Management's training facility:

- Monday, November 2nd – 3/4 full
- Tuesday, December 1st

Courses fill up quickly. Contact Valerie at [v.maclean@ucda.org](mailto:v.maclean@ucda.org), to register!

## Safety Reform

The first large scale changes in many years to the Regulations under the *Highway Traffic Act* governing Safety Standards Inspections have now been completed.

After extensive consultations with interested parties, stakeholders and those with expertise on the technical aspects of Safety Inspections, the amendments are scheduled to come into effect on July 1, 2016.

The first and most noticeable change will be the look of the Safety report itself. At present, a safety standards certificate gives very little information to a dealer or a customer about what is actually checked on any given vehicle. The new "inspection report" will contain:

- Tell-Tales indicating a fault
- Fuel Tank Level
- Tire Tread Depth
- Tire Inflation Pressure (Initial and final) if corrected by more than 5psi
- Disc Brakes - Rotor Thickness - Pad (Friction) Thickness of Inner and Outer Brake Pad
- Brake Drum System - Brake Shoe Lining Thickness - Brake Drum Diameter

In addition, notable changes will add airbags to the inspection of light duty vehicles and, while ABS does not need to be functional in light duty vehicles, under 4,536 kgs, it does need to be checked for "tell-tales" and rejected if braking is affected.

Other highlights:

- Electronic Stability Control systems must work on vehicles made after September 1, 2011
- New specific requirements related to structural integrity
- Equipment, latches, handles, door openers, hinges and other devices must pass inspection
- Entire area of windshield swept by both wipers will require a more specific and detailed inspection for cracks and chips

and

- In vehicles built after January 1, 2017 no aftermarket tint with light transmittance less than 70% will be permitted.

We'll provide more information to members as the implementation date approaches. Meanwhile, the new safety reference handbook can be viewed here: <http://www.ontariocanada.com/registry/view.do?postingId=18062>

## Extended Warranty Update

The UCDA regularly updates the list of extended warranty companies that have shown us satisfactory evidence that their warranties are fully insured by a licensed Ontario insurer.

Each of the companies listed below have provided the UCDA with a copy of its insurance agreement, along with a written undertaking by the insurer to notify the UCDA in the event that the coverage is cancelled or changes are made. The UCDA asks the recognized warranty companies to have insurers provide annual updates to us, confirming that insurance remains in place.

### Verified Insured Warranty Companies

After receiving updates from insurers, here is the current alphabetical list of warranty companies, updated on October 1, 2015, that have met our requirements for insurance recognition.

- Coast to Coast Services 1-800-387-0119
- Cornerstone United Warranty (XtraRide and AutoXtra) 1-800-774-9992
- Coverage One Warranty 1-866-988-1642
- First Canadian Protection 1-800-381-2580
- Global Warranty 1-800-265-1519
- INDS Canada Warranty 1-800-995-0290
- Lubrico Warranty 1-800-668-3331
- NationWide Auto Warranty 1-888-674-8549
- Old Republic Warranty 1-800-530-5446
- Peoples Choice Warranty 1-888-284-2356

The UCDA does not endorse any specific warranty company or product, but strongly recommends that members only offer warranties that are insured by a licensed Ontario insurer. Members should research for themselves the warranty protection and terms of coverage offered by an extended warranty provider before selling any of the company's products.

### MVDA Regulations

The *Motor Vehicle Dealers Act*, 2002 prohibits dealers from offering third party warranties to their customers unless:

- The warranty is insured by a licensed Ontario insurer; or
- The warranty company has posted a \$500,000 irrevocable letter of credit to the Compensation Fund

OMVIC also lists the companies it recognizes in each category on its website, <https://www.omvic.on.ca/portal/DealersSalespersons/MVDARequirements/Warranties/InsuredWarrantyProviders.aspx>

The UCDA considers full insurance coverage to be the best form of protection to adequately protect consumers and dealers in the event that a warranty provider fails to honour its obligations. A letter of credit can quickly be used up, which could then leave the dealer that sold a failed warranty on the hook for consumer claims.

Contact Jim Hamilton at the UCDA if you'd like more information. [j.hamilton@ucda.org](mailto:j.hamilton@ucda.org)

## Discipline Updates

Yet another major fine has been handed out by the OMVIC Discipline Panel ... this time \$16,000.

The dealer, which was already under OMVIC terms and conditions, had been visited and warned by OMVIC inspectors about several violations previously.

In addition to the large fine, the dealer principal was ordered to take the OMVIC certification course, and pay for any staff that wish to take it.

The dealer was found to be guilty of the following offences:

- Advertised prices were not honoured on sales, after additional fees were added, violating the all-in pricing requirements of the *MVDA*, although the consumers had those sums refunded. This conduct occurred in three cases.
- A number of daily rental vehicles were advertised without disclosure in the ad.
- Finally, on one wholesale sale, prior accident information was not declared on the bill of sale.

You can see all discipline decisions at the link below. Contact the UCDA if you need assistance setting up a process to avoid these problems and comply with the *MVDA*.

<https://www.omvic.on.ca/portal/DealersSalespersons/EnforcementCompliance/DisciplinaryProcess/DisciplineDecisions/2015.aspx>

## UCDA VEHICLE INFORMATION SEARCHES

[www.ucdasearches.com](http://www.ucdasearches.com)

Tel: 416-599-7412 or 1-800-668-8265

Fax: 416-232-0775