

The Fair Trading Act

# Used motor vehicles



This fact sheet is a guide to complying with the consumer information standard. The Consumer Information Standards (Used Motor Vehicles) Regulations 2008 requires a properly completed Consumer Information Notice (CIN) to be attached to all used motor vehicles offered or displayed for sale.

The CIN provides sellers with a standard format by which buyers can obtain information about used vehicles in order to make better informed purchasing decisions. The CIN format and the information that must be included in the notice are set out in the Regulations.

The Regulations which comprise the Consumer Information Standard are issued under section 27 of the Fair Trading Act 1986.

## Who do the Regulations apply to?

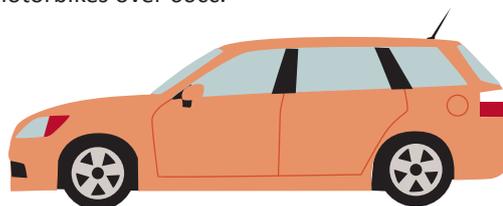
The Regulations apply to any motor vehicle trader selling used motor vehicles or any person (including traders or private sellers) selling a used motor vehicle through a car market operator.

A motor vehicle trader is any person in the business of motor vehicle trading (whether or not they also have another business). This includes traders, car market operators, importers, wholesalers, car auctioneers and car consultants. The full definition of motor vehicle trader is set out in the Motor Vehicle Sales Act 2003.

A place to market cars includes any facility, such as a website primarily used for offering vehicles for sale where the purchase can be completed online; eg, any person selling a used motor vehicle through an online auction site must comply with the Regulations. A car market operator is any person who runs a business providing a place to market the sale of used motor vehicles by other people. This includes operators more commonly called car fair or display for sale operators. The full definition of car market operator is set out in the Regulations.

## What types of vehicles are covered by the Regulations?

All used motor vehicles ordinarily purchased for personal, domestic or household use are covered by the Regulations. The definition of motor vehicle is set out in the Motor Vehicle Sales Act. It includes cars, SUVs, station wagons and motorbikes over 60cc.



## What types of vehicles are not covered by the Regulations?

New motor vehicles are not covered by the Regulations.

## What types of sales are not covered by the Regulations?

Private sales of motor vehicles, other than through a car market operator, are not covered by the Regulations. These types of sales may include trading in a car to a motor vehicle trader, selling a used vehicle by the roadside or advertising the sale through a classified advertisement.

The Regulations also do not apply to the sale of used motor vehicles by a registered motor vehicle trader to other registered motor vehicle traders.

## Who is responsible for making sure the Consumer Information Notice is provided?

The motor vehicle trader is responsible for ensuring an accurately completed CIN is attached to the vehicle.

For used motor vehicles sold at car markets, the person who offers or displays the vehicle for sale is responsible for completing and displaying the CIN.

Section 14(2) of the Motor Vehicle Sales Act requires that a car market operator must take reasonable steps to ensure a supplier of a vehicle completes and attaches a CIN. This may include providing the CIN form to be completed and instructions on how it is to be completed and displayed. Failure of the operator to do this is a breach of the Motor Vehicle Sales Act.

## What must the Consumer Information Notice look like?

The CIN must be in the form set out in Schedule 1 of the Regulations. It must:

- be printed in a font size that is easily readable by a person at a reasonable distance from the notice
- be on white paper or card measuring at least 21cm by 29.5 cm (this is A4 size)
- be completed clearly and legibly with the information set out in Schedule 2 of the Regulations
- be updated as soon as possible after any information about the vehicle changes.

You may use a name, logo, mark or design associated with your business, or any trade association you belong to, on the top margin of the CIN as long as it does not detract from the contents of the CIN.



### Selling on the internet

The CIN must still comply with the requirements to be in the form set out in Schedule 1 of the Regulations, be in a font size that is easily readable and it must also be updated when information about the vehicle changes. But it does not have to be printed.

## What information must be provided on the Consumer Information Notice?

### Information about the supplier

You must provide your name and address. You can choose to provide other contact information such as email address or phone number. If you are a registered motor vehicle trader,

you must provide your registration number. If you are not required to be registered, you can leave this section blank.

If an auctioneer is selling a vehicle on behalf of a registered motor vehicle trader, the auctioneer is the supplier and should be listed on the CIN.

### Information about the vehicle

Much of the information required for this section has to be obtained from the Motor Vehicle Register. You can access the register, which is operated by NZ Transport Agency, at [www.motochek.landtransport.govt.nz](http://www.motochek.landtransport.govt.nz)

**Price:** State the total cash price for the motor vehicle including GST and any additional registration and licensing costs required in order to allow the vehicle to be used on the road. For vehicles sold at auctions, you must state 'For sale by auction' in the section for cash price. For vehicles being sold by competitive tender, you must state 'For sale by competitive tender' in the cash price section.

**Security interest:** Place a tick in the appropriate box to show whether there is a security interest registered against the vehicle on the Personal Properties Security Register (PPSR).

**Make and model:** The vehicle's make and model must be as recorded on the Motor Vehicle Register.

**Vehicle year:** The year must be as recorded on the Motor Vehicle Register. For vehicles registered before 1 January 2007 this means the calendar year when the vehicle was manufactured or the model year stated by the manufacturer or the year when the vehicle was first registered anywhere in the world. For vehicles registered after 1 January 2007 vehicle year means the year it was first registered anywhere in the world.

**Engine capacity:** State the engine capacity as it is recorded on the Motor Vehicle Register.

**Actual distance vehicle has travelled:** State the reading on the odometer. If you have reason to believe the reading may not be correct, you must use one of these two statements:

- 'I (supplier name) cannot accurately determine the actual distance this motor vehicle has travelled because the odometer may be inaccurate.'
- or
- 'This motor vehicle's odometer reading is inaccurate.'

**Radio receiver capability:** Place a tick in the appropriate box to show whether the vehicle has a radio capable of receiving stations located between 88 and 108 Mhz (FM) without the use of a band expander.

**Vehicle identification (VIN) or chassis numbers:** If the VIN is recorded on the Motor Vehicle Register, then you must state this number. If the VIN is not recorded on the Motor Vehicle Register you note the chassis number.

**Warrant or certificate of fitness:** Place a tick in the appropriate box to indicate whether the vehicle has a current warrant or certificate.

**Warrant expiry date:** State the current warrant of fitness expiry date. You can leave this section blank if the vehicle does not currently have a warrant or certificate of fitness.

**Vehicle licence expiry date:** Place a tick in the appropriate box to show whether the vehicle has a current licence. You must state the expiry date from the most recent licence (whether or not that licence has since expired). If the vehicle has never been issued with a licence, leave the space blank.

**Currently registered vehicle:** Place a tick in the appropriate box to indicate whether the vehicle is currently registered.

**Registration plate number:** State the number or letters from the registration plate as recorded on the Motor Vehicle Register.

**Year first registered:** State the year the car was first registered in New Zealand, as set out in the Motor Vehicle Register.

**Re-registered vehicle:** Place a tick in the appropriate box to show whether the vehicle has been re-registered, as recorded on the Motor Vehicle Register.

**Operating fuel type:** State the vehicle's fuel type as it is recorded on the Motor Vehicle Register.

**Road user charges:** Place a tick in the appropriate box to show whether the vehicle is subject to road user charges. You must also place a tick to indicate whether there are any outstanding road user charges for the vehicle.

## Is there any specific information I have to provide for imported motor vehicles?

The Regulations require additional information about imported used motor vehicles. On the CIN you must record:

- the year the vehicle was first registered overseas, as stated on the Motor Vehicle Register
- the country where the vehicle was last registered before it was imported into New Zealand
- whether the vehicle was recorded as damaged on the Motor Vehicle Register at the time of its importation.

## Can I provide other information on the Consumer Information Notice?

The CIN is not a marketing tool and it does not allow for listing information about extras such as alloy wheels or an MP3 compatible stereo.

If you want to provide additional information about the vehicle, you could do this on a separate sheet or card.

## Where must the Consumer Information Notice be displayed?

The CIN must be firmly attached to the motor vehicle in a prominent place. It must be clearly visible from the outside of the vehicle.

For vehicles sold through the internet, the notice (or a link to the notice) must be clearly displayed on the same internet page as the vehicle's offer for sale and on the same page as the contract that may be entered into for the sale of the vehicle.

## Do I give the buyer a copy of the Consumer Information Notice?

Yes. You must give the buyer a copy of the CIN for the vehicle they have purchased. You must obtain a written acknowledgement from the buyer that they have received their copy immediately before the sale, or in the case of a vehicle sold by auction, as soon as practical after the sale. You should also sign the CIN to record you have supplied a copy.

## Do I have to keep copies of every Consumer Information Notice?

You must keep a copy of the CIN and the buyer's acknowledgement for every vehicle you sell for at least 6 years after the sale. You must also make the copies available for inspection by the motor vehicle traders registrar, or a person acting on their behalf, at all reasonable times.

## Where can I get blank Consumer Information Notice forms?

The Commerce Commission does not provide traders with blank CIN forms. Check with trade associations whether forms are available from them, or you can have a form designed for your own use but it must comply with the sample notice set out in Schedule 1 of the Regulations.



## What happens if I offer a vehicle for sale without a CIN or with a CIN containing incorrect information?

You will have breached these Regulations. It is an offence under section 28 of the Fair Trading Act for motor vehicle traders to supply, offer to supply or advertise for supply any used motor vehicle if you do not comply with these Regulations.

The Commerce Commission, which enforces the Fair Trading Act, may take a prosecution against you in court. Companies can be fined up to \$30,000 for each breach of the Act. Individuals can be fined up to \$10,000. For more information on the range of enforcement actions, from warnings to prosecutions, see the Commission's website at [www.comcom.govt.nz](http://www.comcom.govt.nz)

### EXAMPLE

Since the introduction of the Regulations in 2003 the Commission has prosecuted motor vehicle traders for not displaying CINs on vehicles they have offered for sale.

The Commission has also prosecuted a motor vehicle trader for not displaying a CIN or a link to a CIN for a vehicle advertised for sale on the Trade Me website.

## Car market operators and the Motor Vehicle Sales Act

Car market operators will breach the Motor Vehicle Sales Act if they fail to take reasonable steps to ensure any person selling through their car market has attached a CIN to the vehicle.

[↗](#) The Motor Vehicle Sales Act is enforced by the Ministry of Business, Innovation and Employment. For more information see [www.mbie.govt.nz](http://www.mbie.govt.nz)

## Where can I get more information on the Consumer Information Notice and the Regulations?

You can access the Regulations (which contain a sample Consumer Information Notice), the Fair Trading Act and the Motor Vehicle Sales Act online at the government's legislation website [www.legislation.govt.nz](http://www.legislation.govt.nz) The information on this website is free.

You can buy a copy of the Regulations and the Acts from selected bookshops.

[↗](#) For further information on the Fair Trading Act you can visit the Commission's website at [www.comcom.govt.nz/fair-trading](http://www.comcom.govt.nz/fair-trading)

## Useful terms

**Car market operator:** Any person who carries out the business of providing a place to market the sale of used motor vehicles by other people. A place to market cars includes any facility (eg, a website) for the primary purpose of facilitating the sale of used motor vehicles where the purchase can be completed online. It also includes operators more commonly called car fair or display for sale operators.

**Motor vehicle trader:** Any person in the business of motor vehicle trading (whether or not they also have another business) including traders, car market operators, importers, wholesalers, car auctioneers and car consultants.

This fact sheet provides guidance only. It is not intended to be definitive and should not be used in place of legal advice. You are responsible for staying up to date with legislative changes.

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