

Tips for motor vehicle dealers



This tip sheet is to help you and your team meet your legal obligations when advertising and selling motor vehicles to consumers.

It is not a complete list of your obligations. Use the QR code at the bottom of this sheet to see more information about what the law requires.

**CARS
FOR
SALE**

Advertising vehicles for sale

When advertising a vehicle for sale:

- ✓ Always accurately describe the vehicle's features, condition and history. Vehicles can be sold with defects as long as the description is accurate. Do not provide 'half-truths'.
- ✓ Provide all important information about the vehicle so the potential buyer can make an informed decision.
- ✓ Always display an accurate and complete Consumer Information Notice (CIN) with the vehicle.
- ✓ Any representations you make about price must be clear, accurate and unambiguous.
- ✓ If you offer extended warranties (including mechanical cover) you must meet the disclosure requirements, including providing a summarised comparison between the Consumer Guarantees Act 1993 (CGA) guarantees and the protections provided by the extended warranty.

- ✗ Do not make any claims about the vehicle you do not have reasonable grounds for.
- ✗ Do not advertise a road-worthy vehicle for sale with statements like 'as is where is', 'end of life vehicle', 'for spare parts only' or 'without any guarantee or warranty'. These types of statements can mislead possible buyers about their CGA rights. They imply the CGA does not apply and the buyer has no recourse against you for undisclosed problems with the vehicle.
- ✗ Do not claim a vehicle has been checked, appraised or approved, for example by a mechanic or the Automobile Association, if it has not been, or it was not done recently.
- ✗ Do not claim to be selling a vehicle privately when you are a person in trade. Many factors can be relevant to whether you are "in trade" but if you regularly sell vehicles or purchase vehicles with the intention of on-selling them, you are likely to be "in trade" under the Fair Trading Act 1986 (FT Act).

Selling vehicles online

If you sell vehicles via the Internet (including via online auctions on platforms such as Trade Me), you must make it clear to possible buyers that you are "in trade". This lets buyers know they are protected under the FT Act and the CGA.

The CIN (or a link to the CIN) should be on the same webpage where the vehicle is listed for sale.



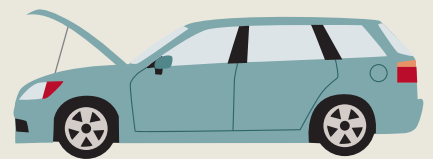
Problems with the vehicle

When a consumer buys a vehicle from a dealer, it comes with basic legal guarantees:

- it must be of acceptable quality, (taking into account its nature, type and price)
- it must be fit for purpose
- and it must match its description.

If a buyer has a problem with the vehicle they have purchased, do not give them misleading information about their right to a possible remedy under the CGA.

Do not claim that protection under the CGA has a legally defined time limit (3 months, for example).



Your legal obligations

Visit comcom.govt.nz/motorvehicledealers for more information about your legal obligations and responsibilities.

If you are unsure about how to comply with the law, we recommend that you seek advice from a lawyer.

