



Don't risk losing the vehicle or the sale

Lien Checks

Checking to ensure that there are no outstanding liens on a used vehicle, whether you're buying or selling, is a crucial practice for motor dealers. When accepting a trade-in, checking for liens will give you confidence that the vehicle value is as it appears. Conversely, selling a vehicle with liens against it gives the consumer cause to unwind the sale; an outcome that is not good for anyone.

In addition to a check for BC liens, make sure you do a lien search for out of province as well, particularly if you know that the vehicle has spent time in other areas. Check with your local dealer association, or go to www.carproof.com to acquire Canada wide lien reports. Here's a case from Ontario in which a dealer greatly benefited from doing an out of province lien check:

"The customer presented herself with a trade-in registered... in Ontario. However, the vehicle was only just recently registered [there] and the alert salesman noticed that. His searches showed the vehicle had come, only days before, from Alberta. Once he started asking questions, the rest of the story came out that it had been in a boyfriend's name in Alberta. A lien check in Alberta completed the puzzle. A bank [held] a huge lien on the vehicle and the boyfriend was in default. If the dealer had taken that trade without doing the right searches and asking the right questions, he would likely have been handing the vehicle over to the Alberta bank in the near future."¹

One area of lien checks that is often overlooked is that of bridge tolls. For the Vancouver area, tolls on the Golden Ears Bridge have caused liens to be placed on vehicles, and toll introduction on the Port Mann Bridge is soon to follow. While the liens for tolls may be minimal, the very existence of a lien could hold up a sale over a weekend (as these liens currently can only be paid on weekdays), or lose you the sale altogether.

If you have questions about lien searches or other related topics, please call the Motor Vehicle Sales Authority of BC at 604-574-5050.

¹ "Out of Province Lien" UCDA Front Line November 2010: 3

DON'T PUT YOUR DEALERSHIP, OR LICENCE, AT RISK

The "Salesperson" search on the VSA website (www.vehiclesalesauthority.com) has recently been improved! Previously, the results of a salesperson search were limited to those who have valid licences and current employment with a dealership. Now you can search for salespeople who held licences in the past but do not hold one now. Also, the search will show those who hold a valid licence but are not currently employed.

Why is this important? "Dealership management at several dealerships allowed salespeople to work without checking on the status of their salesperson licences. After several months, it was found that the salespeople were not licenced and in fact had lengthy criminal records which affected their licencing. These dealerships had placed their motor dealer licences in jeopardy for allowing unlicenced salespeople to work" (Hong Wong, Manager of Licensing, VSA).

Not only will this feature allow dealers to search the licence history of a potential hire, but there are other benefits as well! This will allow a salesperson to check the status of their licence (issued, inactive, lapsed, etc.) at any time. Before a salesperson mistakenly sells vehicles with an expired licence, or no licence at all, a brief visit to the VSA website would prevent needlessly placing the salesperson and their dealership at risk.

What kind of risk you ask? Here is [an example](#) of a hearing in which a dealer was selling motor vehicles using unlicenced salespeople. As a result, the dealer's registration was suspended for a period of three days.

In short, dealership management should use the search tool to check on the status of a salesperson's licence. When in doubt, contact the VSA Licencing staff at 604-574-5050 loc 707, or licensing@mvsabc.com.