



All-in Pricing Continues to Expand

As of July 2, 2014, AutoTRADER.ca introduced new guidelines for vehicle pricing. Now, dealers are required to include *all-in prices* in their advertisements. This change appears to follow other provincial and federal legislation. The federal Competition Bureau has been cracking down on misleading pricing in ads by issuing large fines for hidden additional fees. And, Alberta, Ontario, and Quebec have all made *all-in pricing* a requirement. In British Columbia, this translates to *total price*.

The concept of *total price* is part of BC legislation. The *Business Practices and Consumer Protection Act (BPCPA)* states that the advertised price of a vehicle needs to be *total price* and it must include all documentation fees, inspection fees, or any other fees and transportation charges that the consumer is expected to pay for in a transaction. (PST, GST and other taxes are not included.) *Total price* may be displayed in different ways. As long as the *total price* of the vehicle is clearly represented, it will comply with the *BPCPA*.

AutoTRADER.ca revealed that they “received many complaints from consumers who feel that non-descript pricing diminishes their user experience.” Not only that, if a consumer is misled about any additional fees that arise at the end of the negotiations, this may be considered a deceptive act under the *BPCPA*. Consumers have a right to assume that the price they see is the total price they pay.

As a best practice, dealers who are customers of AutoTRADER.ca should update their inventories with accurate all-in pricing.

Dealers Need to Make Accurate Representations

The VSA has seen an uptick in complaints about dealers making inaccurate representations to consumers during a sale. Some of these representations consist of false or exaggerated statements about what other dealers and the VSA can or cannot do for that consumer. Others involve the misrepresentation of the purpose of a dealer fee.

- Dealers should not be stating that they are able to retrieve deposits from other dealers, and an assumption should not be made that the VSA can do the same. If handled correctly, consumers may enter into a binding deposit agreement with a dealer and the agreement will specify if the deposit can or cannot be refunded.
- Dealers should not characterise dealer fees as taxes or government fees if the actual amount is not being remitted as a tax or fee. Examples include the Air Conditioning Tax, which should not be represented as a consumer tax obligation. Lien registry fees must also be for the exact amount paid to register the lien.

Misrepresenting a consumer’s rights before, during or after a transaction is considered a deceptive act under the *Business Practices and Consumer Protection Act (BPCPA)*. A fabricated oral statement used to make a sale – if the consumer relies on this statement in their decision to buy the vehicle – can be a breach of the *BPCPA*. If a consumer alleges that a misrepresentation has occurred, the VSA is required to investigate.