



Warranty Complaints Grow

Although warranty complaints represent a relatively small percentage of the total consumer complaints received by the VSA each year, they have increased by 50% in the last six months over the prior period. Recent warranty complaints have included allegations that a dealer:

- Failed to disclose that the warranty in-service date for a “new” vehicle preceded the purchase date by a significant period. As a result, this could also include the misrepresentation of a very low mileage used vehicle as new. [See previous Bulletin on this topic.](#)
- Failed to disclose that a warranty on a used vehicle was void due to inadequate service by the prior owner. While this may be difficult to determine without access to manufacturer records, this would be considered a *material fact*. Due diligence in obtaining this information is recommended.
- Failed to disclose that a warranty on a used vehicle was void due to aftermarket modifications, such as a suspension, engine or exhaust alteration. Perhaps the easiest to spot, the impact of these changes should be considered when promoting the benefits of an existing warranty to a buyer.
- Failed to disclose the terms and limitations of a third party warranty for a used vehicle, knowingly sold a warranty for a vehicle that was ineligible and failed to register a warranty with the insurer.

Remedies for consumers in the above situations may include monetary compensation or the assignment of liability to the dealer for any needed repairs. Administrative penalties could also be assessed if the misrepresentation was intentional or due to negligence.

Unreported Marketing Staff Creates Liability

The recent failure of some dealers to contact the VSA when hiring contract marketing staff for special sales events is of concern. Often called “trainers,” these individuals need to be licensed when they actively participate in a sales event at the dealership or offsite.

Dealers are responsible for the licensing of all sales event participants. This includes all dealership employees, as well as any third-party marketing staff, trainers and salespeople. Dealers also remain responsible for the representations and practices of all special event staff.

Contract marketing staff must hold a valid VSA salesperson licence at the time of the sale. This includes the successful completion of the [Salesperson Certification Course](#). Dealers must submit an [Employment Authorization Form](#) **prior** to the event to connect the contract employee with the dealership.

Note: The VSA must receive all staffing information at least three weeks before the start of an event. If the VSA is not notified in time, contract marketing staff will not be licensed and will be unable to work at the event. Any questions or concerns should be directed to the Licensing Department at licensing@mvsabc.com, 604-575-7253 or toll free at 1-866-400-3529.