

ISSUE #8

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Adjustable Inspection Intervals Implemented

The VSA has the responsibility to ensure a motor vehicle marketplace that complies with the laws of British Columbia, including assuring that consumer transactions are conducted in an open and transparent manner. In the past, the VSA compliance team conducted a full inspection of every licensed dealer at least once every two years as part of meeting this mandate.

Going forward, in order to link dealer visits and inspections more closely to the actual need, a dealer inspection assessment has been implemented. Under the program, the potential risk of noncompliance and the risk of going out of business for each dealer are now measured using a standardized assessment tool. If a dealer represents a low risk to the public, the time interval between formal inspections may be increased. If a dealer scores as a high risk, that dealership will be identified for yearly in-depth inspections or even continual monitoring. At a minimum, each dealer will be visited at least once every two years, but a formal in-depth inspection may occur less frequently. New dealers will be assigned a high score until a rating based on more information is possible. Assessments for all dealers will also be updated as necessary. Inspection assessment measures include:

VEHICLE SAFETY

- the percentage of rebuilt vehicles in total dealership sales
- the number of VSA and Commercial Vehicles Safety Enforcement warnings in the last three years, if any

DEALER OPERATIONS

- the importance of consignment sales to the dealership business plan
- overall sales volume
- staff turnover

BUSINESS OFFICE PRACTICES

- the number of substantiated consumer complaints
- the protection of consumer privacy
- the use of compliant sales documents

GENERAL COMPLIANCE PROFILE

- warning letters, undertakings and other formal compliance activity in the last five years
- the results of previous inspections
- the level of cooperation with the VSA licensing department

With the risk assessment program in place the VSA can use its resources more efficiently. Activities will be concentrated where they are needed the most. The risk assessment program is also intended to allow faster response times for critical concerns, such as reports of unsafe vehicles being sold or offered for sale.

It is important to note that an assessment identifies the potential risks of future noncompliance and business stability. The assessment does not identify immediate consumer risk. A dealer that posed an immediate concern to the public interest would be operating under conditions or would have its dealer licence suspended or cancelled. If you have any questions, do not hesitate to contact your compliance officer.

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Two Advertising Reminders

Vehicle ads on social media must follow the advertising rules, which were quickly summarized in this <u>Bulletin</u>. Vehicle ads must be accurate and consistent on all platforms. The total price, with all dealer fees, must be shown.

If a dealership or salesperson is advertising a consigned vehicle, the fact that the vehicle is on consignment must be in the ad. Failing to inform a consumer that the vehicle is sold on consignment may be considered a deceptive act. Advertising requirements can be reviewed using the <u>Continuing Education Module – Advertising for Salespeople.</u>

Desk top tent cards available

Free desktop tent cards using the language and logo approved by the Registrar can be requested from the VSA office. Over 200 were distributed to licensed salespeople at the Vancouver International Auto Show. Available now in both the webinar and classroom Salesperson Certification Courses, they are now popping up in dealerships around the province. Please email <u>communications</u> if you would like to receive a packet of 10 tent cards.



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