

Issue 9

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RVs and Motorcycles Offer Special Challenges

MSRP and Savings Claims for Vehicles

Unlike new passenger cars and light trucks, RVs in Canada have no Manufacturer's Suggested Retail Price (MSRP). As a result, any savings claims that link advertised RV pricing to an MSRP are misleading.

In addition, the use of savings claims linked to MSRP for any vehicle can be misleading. For example, the federal *Competition Act* identifies a savings claim linked to MSRP as misleading unless the MSRP represents a price for which a <u>substantial number</u> of vehicles have been sold. If your dealership has never sold a particular vehicle at MSRP, claiming that there is a price benefit or savings based on the MSRP would be a deceptive act.

Dealers and salespeople are also reminded that showing a price benefit or savings based on the price of a used vehicle compared to that vehicle when it was new is also misleading. If a vehicle is used, it is no longer similar to the new vehicle and any savings claims would be misleading.

Motorcycles, RVs and Vehicle History Reports

Vehicle history reports are a valuable resource in the selling of used passenger cars and light trucks. The reports help dealers meet their duty to enquire and disclose. They also add consumer confidence when used alongside a physical inspection of the vehicle, a detailed mechanical report and other transparent selling practices.

Unfortunately, motorcycle vehicle history reports do not offer the same level of confidence and accuracy. For example, CARPROOF Vehicle Reports note that motorcycle registration varies by jurisdiction and VIN decoding on motorcycles is not consistent.

RV vehicle history reports also suffer from accuracy issues. Many RVs have both a coach and a chassis VIN. As a result, the VIN used in various data sources can be different. Accident, registration, and maintenance records can be missed.

For RVs and motorcycles, CARPROOF is confident in their lien search capability, but accident history is inconsistent due to elements beyond their control. Despite these limitations, Vehicle History Reports can still be an important source of information when selling used RVs and motorcycles. Even an incomplete report may reveal issues that need further research and disclosure.

Canadians Demand Trust and Transparency in Vehicle Purchases

CarGurus, a leading car research and shopping site, released a survey that found trust is a leading factor when Canadians shop for expensive purchases like houses, cars and mortgages. Along with trust, the survey results show that Canadian consumers also prioritize transparency when making large purchases, and both price information and customer reviews play a large role in informing their opinions and decisions.

Twenty-three per cent of Canadians reported that a detailed cost breakdown would increase trust and transparency. More than a third of Canadians will lose trust in the seller if the price in store is greater than what was online. In addition, BC law requires that all advertised pricing be the same and that the consumer is entitled to the lowest advertised price. See the full report <u>here</u>.