

Claim No.: C-24-05-441
Neutral Citation: 2025-BCMDCCFB-030

IN THE MATTER OF THE *MOTOR DEALER ACT*, RSBC 1996 C 316 and the *MOTOR DEALER CUSTOMER COMPENSATION FUND REGULATION*, BC REG 102/95, OC 271/95

FILED BY:

Shawna Landsberger

Claimant

INVOLVING:

**Coquitlam Chrysler / Coquitlam Leasing & Wholesale
Dealer Licence 7557/Cancelled**

Motor Dealer

DECISION OF THE MOTOR DEALER CUSTOMER COMPENSATION FUND BOARD

By way of written submissions.

[1] On August 6, 2025, the claim for compensation from the Motor Dealer Customer Compensation Fund (the "Fund") filed by the Claimant was presented to the Motor Dealer Customer Compensation Fund Board (the "Board") for hearing.

Decision

[2] This claim has been denied.

Claim Summary

[3] The Claimant's allegations are:

[4] The claim is about a transaction that occurred on or about November 21, 2021, between the Claimant and the Motor Dealer in which the Claimant bought a 2016 Honda Civic LX (the "Honda") for \$18,129.00, including the extended warranty for \$3,000.00.

[5] The Motor Dealer informed the Claimant that the CarFax report for the Honda was clean and that a fee was required to view the CarFax report. The Claimant declined to pay the fee.

[6] The Claimant did not receive the paperwork at the time of the purchase; she made multiple attempts to obtain it later, to no avail.

[7] In May 2024, the Claimant took the Honda to a repair shop to fix the rust in the rear right fender. The Claimant was informed by staff at the repair shop that the Honda appeared to have been in a previous accident and may not have been repaired properly.

[8] In May 2024, the Claimant obtained a copy of the Bill of Sale for the Honda from the motor dealer operating at the facility previously used by the Respondent Motor Dealer. The Bill of Sale showed no declaration of damage over \$2,000.00, and the stated mileage was 99,564 km.

[9] The Claimant later ordered a CarFax report, which revealed three prior accidents totalling \$15,499.95 in damage, and an odometer reading of 128,186 km reported by the Motor Dealer as of November 23, 2021.

[10] The Claimant is seeking compensation for the cost of repairs, as well as for the diminished value of the Honda due to the undisclosed \$15,499.95 damages and the additional 28,730 km in mileage not disclosed to the Claimant at the time of purchase. In addition, the Claimant is seeking compensation for the amounts she paid for the extended warranty she purchased, arguing that the incorrect odometer reading supplied by the Motor Dealer would have made the extended warranty void at the time of purchase.

Legislative Authority and the Board's Findings

[11] The Board reviewed the documents on file, copies of which were provided to the Claimant and Coquitlam Chrysler at the pre-hearing stage. Both parties had an opportunity to respond to those documents. The documents included:

- (i) Demand to Motor Dealer;
- (ii) Claim Application;
- (iii) Investigation Report;
- (iv) Investigation Cost Recovery Invoice; and
- (v) File Note.

[12] When considering the eligibility of the Claimant's alleged loss, the Board applied the following sections of the *Motor Dealer Customer Compensation Fund Regulation* (the "Regulation"):

- Section 5(1)(a), which says that to be eligible for compensation from the Fund, losses related to the purchase of a motor vehicle must be for a liquidated amount:

5 (1) The following losses are eligible for compensation from the fund:

(a) with respect to the purchase of a motor vehicle, the loss of a trade-in, full payment, deposit, down payment or other liquidated amount..."

- Section 7(a), which says that losses related to the cost, value or quality of a received vehicle are not eligible for compensation from the Fund:

"7 An applicant is not eligible for compensation from the fund

(a) in respect of the purchase of the motor vehicle, if the claim is based on cost, value or the quality of the motor vehicle received."

[13] The Board found that the alleged loss of \$8,000.00 is not a liquidated amount but rather a claim for damages. It is not a fixed and readily discernible amount, but rather an estimate of the reduction in value of the vehicle. It is a loss related to the value or quality of the Honda, as the Claimant is essentially arguing that the car she received was worth less than she thought due to its mileage and accident history. The Board has no jurisdiction to assess damages.

[14] The Board also considered the Claimant's allegations about the invalid extended warranty and applied section 5(1)(b) of the *Regulation*, stating what losses related to the purchase of an extended warranty are compensable from the Fund:

"5(1) the following losses are eligible for compensation from the fund:

(b) with respect to the purchase of an extended warranty or service plan, the loss of the unexpired portion of the warranty or plan resulting from the bankruptcy, insolvency, receivership, or other failure of the motor dealer"

[15] The Board found that the inaccuracy of the mileage stated by the Motor Dealer when the warranty was purchased would not have affected the validity of the warranty. The investigation by VSA staff found that the technical error could have easily been corrected if the Claimant had called on the warranty before it expired. The Board found no evidence of loss of the unexpired portion of the warranty.

[16] The Board can only accept claims that fall within the specific terms of the *Regulation*. Claimants may have other legal remedies available to them and are encouraged to do their own investigations into other possible remedies. Attached is the Vehicle Sales Authority of BC (the "VSA") Fact Sheet *Where to go for help*.

Investigation Cost Recovery by the VSA

[17] Pursuant to Section 22(b) of the *Motor Dealer Act* (the "MDA"), costs incurred in investigating claims against the Fund must be paid from the Fund.

[18] The Board reviewed the VSA Investigation Cost Recovery Invoice #24441 for \$179.43 for this claim. The Board approved the invoiced investigation costs for recovery by the VSA from the Fund.

Reimbursement to the Fund by the Motor Dealer

[19] According to Section 24 of the MDA, if a claim is paid out of the Fund, the motor dealer who caused the claim must reimburse the Fund for the amount paid out of the Fund for the claim and the investigation costs. The Registrar of Motor Dealers may cancel the licence of the motor dealer who caused the claim if the Fund is not repaid.

[20] Since this claim is denied, the investigation costs will not be charged to the Motor Dealer.

Reconsideration

[21] According to Sections 16(2), 18.1 and 18.2 of the MDA, the Board may, at its discretion, reconsider its decision. The Board will consider a request for reconsideration from a party to a claim, provided that the request is made in writing and includes relevant evidence that was not previously considered by the Board and was not known or available to the party before the hearing. All parties to a claim will be notified if the Board decides to reconsider its decision. An application for reconsideration must be made in writing within 30 days of the decision.

Motor Dealer Customer Compensation Fund Board

Per:

/Original is signed/

Mary Childs, Board Chair

AttachmentMC/ag/jm