

Claim No.: C-25-05-338
Neutral Citation: 2025-BCMDCCFB-032

**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:

Aiden Hempston

Claimant

INVOLVING:

**Drivehive Superstore White Rock
Dealer Licence 41372/Cancelled**

Motor Dealer

DECISION OF THE MOTOR DEALER CUSTOMER COMPENSATION FUND BOARD

By way of written submissions.

[1] On October 15, 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 is denied.

Claim Summary

[3] The Claimant alleges:

[4] The claim is about a transaction on February 15, 2025, between the Claimant and the Motor Dealer, in which the Claimant purchased a pre-owned 2016 BMW M4 (the "BMW") for \$40,000.00 plus taxes and fees.

[5] The Claimant financed the purchase of the BMW through the National Bank of Canada. At the time of the transaction, the Claimant was informed by the Motor Dealer that the BMW had one previous owner and had never been leased. The Claimant was also informed by the Motor Dealer that the BMW had been fully serviced.

[6] The Claimant later determined that the BMW had three previous owners and had been a leased vehicle.

[7] On the day the Claimant took delivery of the BMW, the engine service light illuminated, and the convertible top stopped working. The Claimant subsequently determined that the BMW required significant repairs.

[8] On April 24, 2025, the Motor Dealer closed its business, and the Claimant was unable to obtain any assistance or reimbursement for repair costs. The Claimant completed some repairs while in possession of the BMW and later traded the BMW at another dealership, incurring a trade-in loss of \$8,000.00 plus taxes and fees.

[9] The Claimant is seeking \$13,354.00 from the Fund, representing the total loss incurred from the transaction.

Legislative Authority and the Board's Findings

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

- (i) Demand to Motor Dealer;
- (ii) Claim Application;
- (iii) Investigation Report;
- (iv) Investigation Cost Recovery Invoice; and
- (v) Claimant's Response to Investigation Report.

[11] When considering the eligibility of the Claimant's alleged loss, the Board applied Sections 5(1)(a) and (7)(a) of the *Motor Dealer Customer Compensation Fund Regulation* (the "Regulation").

[12] Section 5(1)(a) states that losses that are eligible for compensation from the Fund are "*with respect to the purchase of a motor vehicle, the loss of a trade-in, full payment, deposit, down payment or other liquidated amount...*"

[13] Section 7(a) states that "*an applicant is not eligible for compensation from the fund that is in respect of the purchase of a motor vehicle, if the claim is based on the cost, value or quality of the motor vehicle received ...*"

[14] The Board found that the claim is not eligible for compensation from the MDCCF for two reasons:

- (a) it is not for a liquidated amount, and
- (b) it is based on the cost, value and quality of the vehicle received by the Claimant from the Motor Dealer.

[15] The Board can only deal with 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

[16] 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.

[17] The Board reviewed the VSA Investigation Cost Recovery Invoice for this claim - Invoice #25338. The Board approved the invoiced investigation costs in the amount of \$1,013.68 for recovery by the VSA from the Fund.

Reimbursement to the Fund by the Motor Dealer

[18] 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 dealer licence

of the motor dealer who caused the claim if the Fund is not repaid.

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

Reconsideration

[20] 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, if 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

Attachment
MC/ds/jm/ag