

Claim No.: C-25-02-348
Neutral Citation: 2025-BCMDCCFB-035

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:

Catrina Knodel

Claimant

INVOLVING:

**Johal Wholesale Enterprises Ltd.
Dealer Licence 28003/Cancelled**

Motor Dealer

DECISION OF THE MOTOR DEALER CUSTOMER COMPENSATION FUND BOARD

By way of written submissions.

[1] On December 9, 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 alleges:

[4] The claim is about a transaction that occurred on June 12, 2024, in which the Claimant purchased a 2012 BMW 750 Li X Drive (the "BMW") from the Motor Dealer.

[5] Within days of the purchase, the Claimant experienced significant mechanical issues with the BMW, including loss of acceleration while driving and the transmission malfunctioning.

[6] On June 17, 2024, the Claimant had the BMW towed to a repair facility. A diagnostic test identified multiple issues with the vehicle. The repair facility recommended that the transmission be replaced.

[7] The Claimant advised the Motor Dealer of these issues but was informed that no assistance would be provided because the BMW was sold "as-is," and the Claimant had declined to purchase an extended warranty.

[8] The Claimant is seeking reimbursement in the amount of \$12,882.55 from the Fund.

Legislative Authority and the Board's Findings

[9] 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 included:

- (i) VSA Consumer Complaint Form;
- (ii) Demand to Motor Dealer;
- (iii) Claim Application;
- (iv) Compensation Fund Report; and
- (v) Investigation Cost Recovery Invoice

[10] When considering the eligibility of the Claimant's alleged loss, the Board applied Subsection 5(1)(a) of the *Motor Dealer Customer Compensation Fund Regulation* (the "Regulation"), which lists the losses with respect to the purchase of a motor vehicle that may be compensable from the Fund:

"(a).... the loss of a trade-in, full payment, deposit, down payment or other liquidated amount resulting from

i the refusal of the motor dealer, without lawful justification, to deliver the motor vehicle contracted for or to return the trade-in, full payment, deposit, down payment or other liquidated amount,

ii the inability of the motor dealer to deliver the motor vehicle contracted for or to return the trade-in, full payment, deposit, down payment or other liquidated amount due to the bankruptcy, insolvency, receivership or other failure of the motor dealer,

iii the dishonest conduct of the motor dealer or the misappropriation or wrongful conversion of money or other property entrusted to the motor dealer, or

iv the failure of the motor dealer to provide clear title to the motor vehicle or to ensure that the motor vehicle was free from a charge or encumbrance, in favour of a third party, that was not declared or known to the buyer at the time the purchase was made"

[11] The Board also applied Section 7(a) of the Regulation:

"An applicant is not eligible for compensation from the fund

(a)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."

[12] The Board found that

- a. This claim is based on the cost, value or quality received by the Claimant from the Motor Dealer, and
- b. There is no evidence of the Claimant's alleged loss stemming from any wrongful conduct by the Motor Dealer.

For these reasons, the Claimant's alleged loss is not compensable from the Fund.

[13] The Board can only deal with claims that fall within the specific terms of the *Regulation*. The 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

[14] 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.

[15] The Board reviewed the VSA Investigation Cost Recovery Invoice for this claim - Invoice # 25348. The Board approved the invoiced investigation costs in the amount of \$ 181.19 for recovery by the VSA from the Fund.

Reimbursement to the Fund by the Motor Dealer

[16] 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.

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

Reconsideration

[18] 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

Attachment
JM/ds/ag/jm