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14 November 2013

Feature Article

Second Hand Vehicle Dealers under spot light

It's everyone's dream to own a vehicle – those who can afford, go for brand new ones from their favorite showrooms but many who are still struggling with their finances, opt to buy second hand vehicles.

Today, our roads are packed with second-hand vehicles with new second-hand car outlets or dealers mushrooming all over the country.

There is a growing market for used vehicles with enthusiastic buyers, ready to spend money on them as it is more economically cheaper option. Those who don't have a saving don't have to worry as some of the second hand dealers even assist the consumers by organizing finances in the form of linked loan schemes. Financial institutions are also offering competitive interest rate on car loans for consumers to take advantage.

What more does one need – it's just so easy to own a second hand vehicle these days. But is it really that rosy as it sounds?

A big - NO!

Buying a used vehicle can be daunting, and if several complaints received by the Consumer Council of Fiji about certain second-hand vehicle sales, is anything to go by - future buyers of second hand vehicles have a right to be wary.

The second hand vehicle buyers in the past and today continue to face problems, complicated and complex in nature, with regard to sale, services and promises made by second hand dealers. This is sharply reflected in the complaints received by the Council over the years.

Since 2008 to date, the Council has received a total of 133 complaints against the second hand vehicle dealers worth around 1.2 million dollars.

Nature of Complaints:

- Altering, of the odometer reading to reduce the mileage in order to fetch higher prices. Odometer fraud has a serious impact on consumers. Odometer tempering increases the cost of a vehicle beyond its true market value including unanticipated vehicle repair costs. It also gives rise to road safety issues.
- Misrepresenting the specification or history of the vehicle, for example by making misleading statements about the service history, any previous accident damage, number of previous owners, the technical specification, insurance grouping or fuel performance.
- Misleading consumers about their statutory or other rights, for example, by using words or statements such as 'As is where is' or 'Sold as Seen' or 'No Refund'.
- Buyers being sold defective/faulty vehicles – that led to consumers being left out of pocket because they had to fix unresolved faults that were unknown to them.
- Buyers could be stung by a tainted financial past on the vehicle itself. The biggest threat to consumers is an outstanding finance agreement on the vehicle. This means that second-hand vehicle buyers, who do not carry out the necessary checks and are oblivious that finance is outstanding on the vehicle, become liable for the finance and may see the vehicle repossessed – leaving them without a vehicle and severely out of pocket.
- Unsatisfactory repair of vehicle under warranty and consumers not being informed of the finer details of what is covered in the warranty.
- The chosen vehicle sold to another customer although deposits were paid.
- Increase in vehicle price after deposit is made.
- Repossessed vehicle sold for higher price but the dealer fails to return the rest of money after deducting what was owed.
- A second hand vehicle dealer is selling vehicles without a second hand dealer's license, putting consumers at risk.
- Vehicle part being changed after the deal is made; the second hand dealers replace new parts with worn-out parts in the vehicles before sale. For instance, putting in worn- out brake pads.
- Dealers use high pressure selling techniques to sell a vehicle or to sell additional services.

This all could be the tip of the iceberg as for some, owning his or her first vehicle had been nothing less than a nightmare.

The Council expresses grave concern over the unfair trade practices and dealings that some second hand vehicle dealers are engaged in.

The Council will be bringing to you a series of articles on the nature of complaints regarding used vehicles, in the coming weeks.