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Feature Article

Series: Second-hand vehicle – extent of deception

Owning a vehicle is a dream for many consumers. But, not everyone can afford a brand new one and so many settle for second-hand vehicles, which are widely available here.

As a matter of fact, second hand vehicle traders are setting up their businesses in every part of the country.

It is however, unfortunate that the second hand vehicle industry is overshadowed with unscrupulous dealings and bad business practices.

The Consumer Council of Fiji continues to be inundated with complaints relating to used vehicles. In the past six years (2008-2014) till date, **180** complaints with the monetary value of more than **\$1.5million** have been registered against some second-hand vehicle traders.

The nature of complaints are: defective vehicles being sold; unsatisfactory repair of vehicle under warranty; vehicle parts being changed after the deal is made; selected vehicle (deposit paid) sold to another customer; lower interest rate stated when deposit is paid but the actual paperwork shows higher interest rate; unlawful seizure of vehicles; odometer tampering; half-cut vehicles being sold and non-delivery of bill of sale.

There have been completely no or very little disclosures made by the traders on the age of the vehicle and the availability of spare parts among other things. In many of the cases, consumers have not been given full history of the vehicle, nor were they given information on the road worthiness of the vehicles they purchased.

The Fiji Commerce Commission's market surveillance and complaints lodged also showed irregularity in terms of the nature and disclosure of information.

There was an absolute need to bring some order in the second hand vehicle industry. Thus the **Self-Regulating Guideline for sale of Second Hand Motor Vehicles (SRG)** introduced by the Fiji Commerce Commission came as a relief to the consumers. This guideline came into effect from 14th July 2014.

The guideline spells out the disclosure requirements and the conduct of traders and consumers with the key aim to enhance consumer protection and avoid breaches of the Commerce Commission Decree 2010.

The guideline provides: guidance on the use of phrase “*as is where is*” basis, the need to provide accuracy and clarity in business transactions involving sale, the conduct to avoid misleading and false representation, avoiding of deceptive conduct, harassment, coercion and misleading conduct.

A consumer should be entitled to accurate information regarding the vehicle to confirm that it is “fit for its purpose”. A trader must disclose information such as the age of vehicle, history of vehicle, car make and body, colour, mileage, engine number, year, registration and how the vehicle was acquired (imported/pre-owned/tender/auction)bythe consumer.

The guideline provides a checklist which guides consumers on what they can look out for when purchasing a second hand vehicle. The consumers are encouraged to check:

- The consistency inthe mileage, age and appearance of the car look consistent?
- Any signs, like worn screws that the instruments might have been tampered with.
- If the motor vehicle is being inspected by LTA.
- Recorded mileage on service records, LTA fitness documents and other documents.
- Copy of the Export Certificate.
- Service history and repair records available.
- For the motor vehicle manual.
- If the motor vehicle is inspected by an independent mechanic.
- If the motor vehicle was involved in any accident.
- Ifthe motor vehicle report isstolen (if known).
- If the motor vehicle hasany financial interest ofthird parties.
- If the motor vehicle hasany warranty/guarantee (if yes, please ask for appropriate documentation).
- Whether there are any mechanical or physical defects in the vehicle (if yes, please state).
- Whetherthe motor vehicle has gone through any damages through natural disaster likeflood or cyclone.
- If there are immediate consumable spare parts readily available.
- Whether the vehicle is free frombody scratches
- Whetherthe engine was overhauled (Ask for details on who overhauled the engine and when was it done. Obtain this in writing for future references.)

Next week, read more on deceptive conducts and disclosure/display of consumer information.