

75 DEALERS CHARGED WITH ADVERTISING OFFENSES

This week 75 dealers were charged with advertising-related offenses.

The new *Motor Vehicle Dealers Act* has been in place for over three months now. Leading up to implementation of the new Act, OMVIC and the dealer trade associations sponsored dozens of dealer presentations concerning the requirements of the new Act at locations across the province. The OMVIC-CAI certification course on the new Act has been available for over a year now. And since implementation of the new Act, some two hundred warning letters have been sent to dealers and a number of informative bulletins have been issued by OMVIC and the trade associations.

The OMVIC investigations team has now begun a program of charging dealers who are not advertising in accordance with the new regulations. It's the responsibility of dealers and salespeople to understand the requirements under the Act and to ensure compliance in all aspects of the business.

The following items are not exhaustive, but represent areas where compliance is often lacking and which will lead to charges being laid:

Under the new *Motor Vehicle Dealers Act*, when a dealer chooses to include a price in a vehicle advertisement, that price must include all charges a customer is required to pay. Such charges would include, but are not limited to, freight, pre-delivery costs, administration fees, window etching, nitrogen, locking wheel nuts and so on. If a dealer is going to include these items as mandatory, then the cost must be bundled into the advertised price. To be clear, the advertised price must be the sum total of all non-optional charges. The only exception may be MTO licensing.

If taxes are not included in the advertised price, the ad must **clearly and prominently** state that taxes are not included.

If the vehicle is a previous daily rental that has not been subsequently owned by a consumer, an emergency service vehicle or a limousine, this fact must also be **clearly and prominently** stated.

If you are a dealer principal, please ensure staff who mount advertising campaigns on behalf of your dealership fully understand all of the advertising requirements or you run the risk of being charged, being the subject of a cease and desist order or an order requiring all your ads be pre-approved.

If you are part of a dealer board or marketing association, please ensure your fellow members, your manufacturer and your marketing firm understand the requirements. Where a fee or cost varies from dealer to dealer in a marketing group, the amount of the fee or cost (or range) and what the fee or cost is for must be **clearly and prominently** stated.

Disclosure in fine print is **NOT** considered clear and prominent.

To contact OMVIC: 1-800-943-6002, omvic@omvic.on.ca

