

AFTER-MARKET PRODUCTS

OMVIC understands dealers are often approached by after-market suppliers looking to sell their products or services to consumers. These items can provide additional income for the dealer and value to the consumer.

A dealer brought to OMVIC's attention the existence of a new product designed to give consumers refunds of extended warranty premiums if they do not make a claim. It contains complex clauses that, in the event they are challenged, courts could interpret in favour of a consumer.

Dealers should exercise caution when describing the features, benefits and prices of after-market products to consumers. It is in your best interest to fully understand the products you sell and be able to describe them accurately, clearly and truthfully to interested consumers.

Registrants are responsible for any representations made to consumers about an after-market product. Dealers should carefully review the terms of any after-market agreement in the event the supplier and the insurer (if applicable) are no longer willing or able to provide coverage. Take the time to review the track record of the product or service and its insurer (if applicable) and determine whether your dealership is willing to assume the potential risk if something goes wrong.

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