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MVDA 2002 – When can a consumer cancel a contract?

The new MVDA 2002 launches April 1, 2009!

In this bulletin we provide a **brief** overview of some of the changes regarding a **consumer's right to cancel a contract**. Although other bulletins will be forwarded for your information, we strongly encourage you to sign up for the revised OMVIC Certification course, offered by the Canadian Automotive Institute, which will launch in January 2009.

Cancelling a contract:

Under the new Act, dealers will be required to give specific information to consumers about the history of the vehicles sold. It is now a consumer's right to rescind or cancel a contract if you don't make the following disclosures:

- If a vehicle was previously a taxi, limo, police cruiser or emergency service vehicle
- If a vehicle was previously a daily rental and not owned by someone other than a dealer
- If a contract does not accurately disclose the make, model, trim level and model year of a vehicle
- If a consumer is not told a vehicle is branded rebuilt, salvage or irreparable
- If the actual distance the vehicle has travelled is not properly disclosed or the appropriate disclosure statement is not made when that cannot be determined

Failure to make any of these disclosures, even if a dealer has sold a vehicle in good faith and without prior knowledge, triggers a consumer's right to cancel a contract within 90 days and return the vehicle for a refund. Should this occur, it also cancels any other agreements under the contract such as warranties and financing. If there was a trade-in, the dealer pays the consumer the agreed value of the trade shown on the contract.

More Information:

To read the Motor Vehicle Dealers Act and its accompanying Regulations, as well as other information bulletins, visit the MVDA 2002 page **on OMVIC's web site: www.omvic.on.ca**.

Highlights

- MVDA 2002 launches April 1, 2009
- Consumers can cancel a contract if specific disclosure is not made
- OMVIC's new certification course launches January 2009

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