

PRICE ADVERTISING UNFIT OR AS-IS VEHICLES

Price Advertising Unfit or “As Is” Vehicles

While the majority of dealers complied with the bulletin issued in April 2010 about price advertising of unfit and/or “as is” vehicles, some dealers are either disregarding it entirely or advertising in a way which violates the intent. To review the April 2010 bulletin, go to <http://www.omvic.on.ca/pdf/Price%20advertising%20bulletin.pdf>.

The details of this bulletin are not new. It is being sent out again to address areas where some dealers have violated the spirit and intent of the original bulletin. As such, this bulletin serves as a final reminder to all dealers of their disclosure requirements when advertising unfit or “as is” vehicles. Failure to adhere to these instructions will result in disciplinary or enforcement action.

Price advertising of unfit vehicles

When a dealer is price advertising a vehicle that is not certified and/or e-tested, the advertisement must state in a clear and prominent fashion the following statement:

“Vehicle is not drivable, not certified and not e-tested.”

If you intend to offer certification and e-testing services, the following statement must be added:

Certification and e-testing available for \$xxx.”

The **specific fee** for said services must be disclosed in the above statement, and these additional services must **not** be a mandatory charge. The purchaser must have the right to purchase the vehicle without certification and e-test. Vehicles advertised as unfit may not be sold at or above the advertised price using the “as is” clause on the bill of sale.

You may not offer the certification and e-testing services as a price range. For example, ads cannot say “safety and e-test available from \$399 to \$999.” OMVIC deems this practice to be misleading and not compliant with the *Motor Vehicle Dealers Act, 2002* all inclusive pricing requirements. Failure to disclose the specific cost of certification and e-testing, as outlined above, will result in further administrative action being taken.



Price advertising as-is vehicles

When a dealer is price advertising a vehicle that is “as is”, the advertisement must state in a clear and prominent fashion the following statement:

“This vehicle is being sold “as is”, unfit, not e-tested and is not represented as being in a road worthy condition, mechanically sound or maintained at any guaranteed level of quality. The vehicle may not be fit for use as a means of transportation and may require substantial repairs at the purchaser’s expense. It may not be possible to register the vehicle to be driven in its current condition.”

It is not sufficient to simply use the term “as is”. Dealers should note that it is prohibited to sell an “as is” vehicle with a current safety certificate.

Dealers should also avoid statements which attempt to cover off both of the above statements in one. If you have some vehicles in your ads that are “as is” versus unfit then identify them in a clear, comprehensible and prominent manner so consumers are clear about the applicable disclosure statement.

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