

Can Car Dealers Add Fees to Advertised Prices?

The Majority of Ontarians Don't Know the Answer.

Toronto, ON, April 16, 2019 – Fifty-three per cent of Ontarians are either uninformed or misinformed when it comes to motor vehicle dealer advertising. According to OMVIC, Ontario's vehicle sales regulator, only 47 per cent of Ontario's car buyers know that if a dealer advertises a price for a new or used vehicle, that price must include all fees and charges the dealer intends to collect, with the exception of HST and licensing (and safety standards certificate if the vehicle is advertised as unfit).

Unfortunately, OMVIC still encounters some dealers adding fees to their advertised prices which is why the regulator has re-launched its province-wide consumer awareness campaign. "All-in price advertising has been the law in Ontario for nine years now," explains John Carmichael, OMVIC CEO and interim Registrar. "We want to ensure consumers understand that their dealer should be providing this level of transparency."

OMVIC's Consumer Awareness Campaign

A photo of a beautiful sunrise; a birthday party; even a grocery list on the fridge—yes we take pictures "all the live long day," OMVIC's TV ad notes. So why not "take a picture of the dealer's advertisement the next time you're shopping for a car and take it with you to your dealer? Because the dealer should not charge more than that advertised price."



"The messaging is designed to empower consumers," states Carmichael. "If they have a copy of the advertisement and understand they have a right to all-in pricing, it will help consumers protect themselves should they encounter non-compliant advertising." It is important to note that dealer fees (like freight or administration fees) are not illegal and will still be itemized on a bill of sale—they just have to be included in a dealer's advertised price.

OMVIC's All-in Price Advertising campaign will run online and be broadcast on TV and radio. To help reach new Canadians, many of whom are unfamiliar with Ontario's consumer protection laws, additional online ads are running in French, Hindi, Urdu, Arabic, Portuguese, Spanish, Simplified Chinese and Russian.

View the 30 second TV ad [here](#).

View the 15 second TV ad [here](#).

Listen to the campaign radio ad [here](#).

Understanding All-in Price Advertising

If a Registered Dealer advertises a price for a vehicle (new or used), that price must include ALL fees and charges the dealer intends to collect. The only additional fees a dealer can charge are HST and licensing (and safety standards certificate if the vehicle is advertised unfit/as-is), and for options the consumer has explicitly agreed to. Note: licensing refers to the actual cost of vehicle registration and plates (it cannot include extra fees added by the dealer).

An advertisement is an inducement to buy or lease a vehicle. This would include, but is not limited to ads:

- In print (newspapers, magazines, etc.)
- On the internet (dealer site, online marketplace, etc.)
- On social media
- On radio or TV
- On signs (including those in or on a vehicle)

Examples of fees or charges that must be included in an advertised price include:

- Freight
- PDI-PDE (pre-delivery inspection/expense)
- Administration (Admin) fee(s)
- Government levies (air tax, etc.)
- Safety and e-test (unless the ad contains a mandated "Unfit Vehicle" or "As-Is Vehicle" statement)

If a dealer intends to charge for products or services they have pre-installed on a vehicle, those costs must also be included in the advertised price. This includes, but is not limited to:

- Nitrogen/tire protection package/locking wheel nuts
- Warranties
- Security or theft deterrent products/services (etching, etc.)
- Fuel

Note: While all fees must be included in advertised prices they must be itemized individually on the contract.

Vehicle Manufacturer Advertising

Important note: OMVIC does not regulate vehicle manufacturers; therefore, advertisements placed by manufacturers do not have to comply with the Motor Vehicle Dealers Act and all-in pricing is not required in manufacturer ads. That said, some manufacturers voluntarily comply with the all-in pricing provision and commendably provide transparency to consumers.

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