

AVOIDING VEHICLE BUYING SCAMS 101 FOR NEW IMMIGRANTS

TIPS FOR NEW IMMIGRANTS ON HOW TO AVOID GETTING SCAMMED WHILE BUYING A VEHICLE

By Kenneth E. Seaton



YOU'RE NEW
TO CANADA
AND YOU
NEED A VEHICLE,
BUT YOU'VE HEARD
SO MANY HORROR

STORIES ABOUT BUYING A VEHICLE - BOTH NEW AND USED - THAT YOU'RE A LITTLE INTIMIDATED OF THE WHOLE OPERATION.

However, if you do some basic research, enter into the buying process with

your eyes wide open, and adopt the Caveat Emptor "Let the Buyer Beware" adage, you should be able to drive away with the vehicle that's right for you.

The best way to try to avoid getting scammed is to know: the type of vehicle you want, what you are going to use the vehicle for, the type of vehicle you are used to driving and what you can handle, and most importantly know how much you can afford to pay in monthly – including vehicle operating, maintenance and insurance – payments.

There are several means of purchasing new transportation i.e. you can buy it new, purchase a used or "pre-owned vehicle", or you may want to lease it. Depending on which way you want to go,

there are a number of options available to you. You can buy or lease from a dealership, buy online or purchase a vehicle from a newspaper classified ad. And there are just as many ways that you can be scammed. There are countless unscrupulous people out there who will be looking to rip off unsuspecting buyers.

CAR DEALERSHIP TRICKY TACTICS

Just because you go to a brick and mortar structure, with lots of glass and chrome and phoney smiling people, it does not mean that there is no scamming going on. Some tricky dealership tactics to be aware of are:

Phantom Vehicles – You saw a media advertised car and go to the dealer-



ship only to find out that that particular vehicle isn't available. Good chance that it never was, as the goal is to get you into the dealership and to be able to talk you into something else, generally more expensive.

Limited Time – Usually a salesperson will say that the price that they have just quoted you is only good for right now and if you leave so does this great offer.

My Spouse Drives One – This is a classic trick to make you think that the vehicle is such a good buy that even the salesperson's spouse drives one.

Throwing in Extras – Typically done to divert your attention from the basic purchase price of the vehicle. Often the salesperson has given you their best deal but is now offering to toss in so-called free car mats, undercoating, tinting for the windows, etc. to sweeten the deal.

Cheap Vehicle Financing – The salesperson has quoted you their best & final price, then goes off to see their manager to see if they can get an even better deal for you. They return to say that especially for you they can get a deal on the vehicle's financing. They then quote you the normal going rate and say but for you the rate will be even less.

Of-course, not all new car dealerships will try to rip you off or scam you but it is best to remember *Caveat Emptor*. Before you start out, go online to look for and check out different dealerships, their prices and the stock that they have available onsite. If you wish to purchase from a particular dealership, also use the internet to see what previous customers have to say about them.

GETTING A GREAT DEAL ON A USED CAR WITHOUT GETTING RIPPED OFF

Finding a used vehicle to purchase is easily done. They are available in used car lots, via media or newspaper ads, off the internet or even from a friend. And, there are even more ways to be scammed. In fact in 2013, the Automobile Consumer Coalition reported that about one in five Canadians who bought or sold used cars online encountered scammers or fraud.

This doesn't mean that you should just give up on the idea of purchasing a used vehicle, just that you should be very careful. Wary of scams like:

Curbers or Curbsiders – Are full-time fraud artists who pretend to be private sellers and will try to sell you a junked out car. Or it may not be theirs and/or it may even be stolen. They will only meet you in a parking lot or at the side of the road

somewhere – hence their name – and they will offer you a price that is too good to be true. When you contact the seller about a particular advertised vehicle and if they ask you, "Which car?" you can probably bet that they are a Curbsider and its best that you go somewhere else.

Phishing – Is a fairly common online scam where you are contacted via email and asked for some personal or financial

information. The source of the email will appear to be from a reputable car dealer or trader and will direct you to click on a link that takes you to another website. It will look official, but is in fact a fake site and it will most likely ask you to "confirm your details" or "verify your credit card", etc. Don't do it, leave the site and report it.

Too good to be true – Stop and think that if the price of the vehicle is really:





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“Too good to be true” it probably is! Unsuspecting Canadian car shoppers have been tricked into purchasing on-line vehicles from American dealerships at unbelievable prices. Unfortunately, these companies do not exist and the eager buyers end up losing their money. Remember, verify before you pay for anything.

Hidden Damage or Car Clocking – Dishonest sellers will often apply a patch, paint over or cover up damage from a previous accident. Car clocking or rolling back the odometer is where the car’s mileage has been adjusted to show that it is a “Low mileage” vehicle. When buying a used vehicle always take it for a test drive or even better have it checked over by a reputable mechanic. Also be sure to get the Vehicle Identification Number (VIN) and do a search on the vehicle before buying.

The Non-Existent Factory Warranty – Even though the vehicle may look new enough to be still under some form of warranty, there are numerous reasons that can actually void a factory warranty. Unauthorised vehicle modifications, accidents, using the vehicle for commercial purposes or not following the manufactures vehicle

servicing guidelines, are just a few things that can void a warranty. Be sure to read the fine print on any factory warranty, and be aware that not all “Extended Warranties” are transferable to new owners.

When you are doing your vehicle shopping always remember to do the following. Research, research, research; learn as much as you can about not only the vehicle but also the seller. Take it for a test drive and drive it how and where you will be using it on a regular basis. Check under the hood; even if it’s new be sure that you are getting what you are paying for. You really want to avoid getting stuck with a Lemon!

Know your numbers! Know how much you want to spend, know how much you can spend and know the limit that you should spend. Do not let yourself get talked into spending more money than you can afford. Many an overstretched person has found themselves still making payments on a vehicle that they were no longer driving.

YOU MUST HAVE YOUR VEHICLE INSURED

In Canada it is the law that all vehicles

must be insured, and sadly, it’s also a fact that there are many slick scam artists coming up with new and ever sneakier ways of separating us from our hard earned money. Once again, let Caveat Emptor be your moto.

One increasingly common scam is where vehicle insurance is advertised for an incredibly “cheap” price. The ads always appear genuine and often are designed to mimic those of legitimate insurance companies. The “hook” is that they claim to be able to get you vehicle insurance at a lower rate than you are currently paying or for less than you have been quoted. If the broker, salesperson or insurance company name is not prominently displayed on the ad, then chances are it is a fake. Even if there is a name you should make sure you know who you are dealing with before putting any money down.

Another thing to look out for is when someone claiming to be a licensed auto insurance agent or broker says that they will charge you a fee to get your vehicle insurance coverage for much less than you are currently paying. They will take your information, contact a legitimate li-

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censed insurance company and lie about the coverage you really need. You then pay the insurance company for your policy, but eventually it will be cancelled because the information that the company received was false.

Never pay for your auto insurance premiums – or a down or partial payment – through any money wiring or transfer service. Accepting payment this way is not common insurance industry practice. Remember, having valid vehicle insurance is not just a right it's the law!

WHAT TO DO IF YOU THINK THAT YOU'VE BEEN SCAMMED

If you suspect that you may become a victim of an insurance scam or that you may have been targeted, contact the police immediately. Most provincial governments have some form of Consumer Protection Act and the information is usually posted on their websites. You may also want to contact The Anti Fraud Canadian Center. Additionally, some private companies i.e. autoTRADER have their own form of fraud reporting service.

The Better Business Bureau (BBB) has

offices throughout Canada and the United States. In the Atlantic Provinces, Peter Moorhouse the President & CEO says that in 2015 the BBB fielded almost 16,000 inquiries about used car dealers with 82 complaints and new auto sales were close behind with 87 complaints out of 10,000 inquiries.

BBB publishes dealerships ratings on its website and he recommends researching dealerships on-line before you visit them. Also, friends & family and other people that you trust are also great sources of information on business that you can trust and should or shouldn't deal with. He states that "Researching the business that you are buying from upfront should always be Step One in protecting yourself against being taken advantage of."

"One of the cultural nuances that we find with new Canadians is that very often because they are not culturally or English confident," he says, "they do not necessarily know what their rights are, what they can ask for or what they can demand." Sometimes the BBB sees contracts that have blanks that should have been filled in before the transaction was

done. The salesperson had told the buyer, "We will fill that in later, sign now to get the ball rolling." He strongly endorses that every buyer but, for new Canadians particularly, before they purchase anything, "You should make sure that you have everything that you been promised in writing. Any verbal promises that were made about extras to be added on, or the repairs that were supposed to be made prior to the conclusion of the sale; all of those details should be in writing and if you do not have it in writing then do not finish the sale or sign on the bottom line."

He sums up saying, "Don't feel pressured by the salesperson to sign something before you're ready; take it home especially if English is not your first language and especially if you are struggling to read the written stuff that's in a contract. Get somebody to read through it with you so that you fully understand what you are committing too. The number one complaint that the BBB gets is that the buyer did not get what they feel they were promised verbally and they don't have a written record and it becomes a He said, she said situation." 🚫



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