

IMPACT

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AMVIC 2022 - 2023 annual report released

As the regulator of Alberta's automotive business industry, AMVIC's delegated authority is to regulate the industry and enforce consumer protection legislation. AMVIC works hard to protect Alberta automotive consumers from unfair business practices, and toward building trust, confidence and regulatory compliance.

2022 – 2023 highlights:

- The AMVIC 2022 - 2023 annual report includes the findings of the AMVIC initiated Advertised Price Compliance Inspection and Enforcement Project which focused primarily on all-in pricing and advertised price compliance.
- AMVIC continued to drive consumer awareness through a successful advertising campaign during Q4. AMVIC also participated in the Edmonton Woman's Show which was the first trade show since the pandemic.

Year at a glance

\$1,434,154.84

obtained for automotive consumers through alternate dispute resolution (ADR)

2,730

total complaints submitted

682

total number of files investigated and closed

425

total licensee field inspections conducted

16

total charges laid against 10 businesses and individuals

Advertised Price Compliance Inspection and Enforcement Project

44

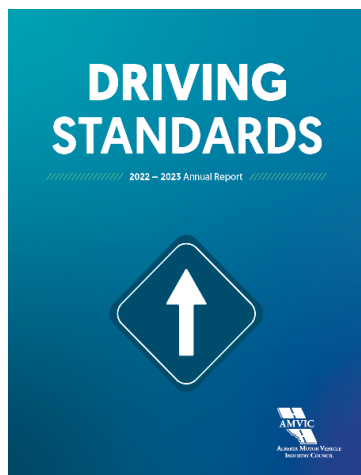
franchise businesses inspected over 15 days

6

businesses were found to be fully compliant

37

businesses found to be illegally selling over advertised price





Top five consumer complaint topics in 2022 – 2023

AMVIC consistently works towards ensuring a fair marketplace for both automotive consumers and businesses. In highlighting the top five consumer complaints received in 2022 – 2023, AMVIC hopes to provide insight into the marketplace, opportunities for improvement and education on legislation for future business practices.

Condition of the vehicle

An automotive business operator must disclose vehicle history in writing to the consumer before purchase. Licensed businesses must also provide the consumer with a completed Mechanical Fitness Assessment (MFA) before a contract is signed.

Remember, under Alberta's *Consumer Protection Act* (CPA) Section 6(4)(a)(h), it is an unfair practice to do or say anything that might reasonably deceive or mislead a consumer and it is an unfair practice to represent that goods have a particular prior history or usage if that is different from the fact.

Best practice tip: AMVIC has an MFA form available on amvic.org. This standardized form ensures a uniform process for assessing all used vehicles.

Contract issues: sales

These range from clarification on terms and conditions to details of the financial agreement. To help reduce this type of complaint, ensure that all salespeople on your team are aware of bill of sale-related requirements from the CPA and the Automotive Business Regulation (ABR), including those related to financing. Make sure the client understands the difference between a bill of sale and a deposit agreement.

Best practice tip: Review the bill of sale to ensure that everything listed in the ABR Sections 31.2(1) and (2) is included. For added value in terms of transparency, make use of the [deposit agreement form](#) on the AMVIC website, if needed.

Repairs

Repair-related consumer complaints mostly come down to unfair practices. These include, but are not limited to, making unrealistic promises that the business does not have capabilities for, untrue statements or recommendations such as an engine replacement that is not needed. Other times, businesses have used previously owned or used parts without the consumer's consent.

Best practice tip: Ensure your technicians and customer service representatives review and understand the requirements for estimates and work authorizations under the ABR. AMVIC offers a voluntary [Service and Repair Course](#) for \$40 that provides valuable knowledge of the legislation relating to the service and repair industry.





Top five consumer complaint topics in 2022 – 2023 cont.

Advertising

Advertising complaints include inaccurate all-in pricing, not advertising with stock numbers and using false, misleading or deceptive statements in advertisements. All-in pricing is the law in Alberta. The only fee that can be added to the advertised price is GST and any costs associated with financing (if applicable). Furthermore, Section 6(4)(o) of the CPA states it is an unfair practice if “a supplier’s representation that a specific price benefit or advantage exists if it does not.”

Best practice tip: Ensuring clarity with the consumer when advertising or selling a vehicle is considered best practice. The ABR Section 11(2)(l) states that businesses must include “[...] in the advertised price for any vehicle the total cost of the vehicle, including, but not limited to, all fees and charges such as the cost of accessories, optional equipment physically attached to the vehicle, transportation charges and any applicable taxes or administration fees, but not including GST or costs and charges associated with financing.”

Unlicensed for repair activities

All journeypersons, apprentices and other staff must be adequately trained in their respective fields. Should a business have untrained staff members performing duties of certified tradespeople, the business can be held responsible for employee conduct, including vicarious liability. Document accuracy is critical to ensure the correct information is being recorded, which in turn will protect the consumer, staff members and the business. All automotive businesses are responsible for the conduct of the staff members they employ under the [CPA](#) Section 166.

Best practice tip: Reference the [Alberta Apprenticeship and Industry Training website](#) for certificate requirements. A comprehensive list of all automotive repair activities and certificates required can be found [here](#).

Complying with legislation and using best practices can reduce the possibility of consumer complaints. Read up on [unfair practices](#).



Q1 Administrative review enforcement actions: April 1, 2023 – June 30, 2023

As the regulator of Alberta's automotive industry, AMVIC makes public, on its website (as per the *Consumer Protection Act* Section 157.1 (1) and (3)), information that is related to breaches of legislation.

A record of Undertakings, Director's Orders, court orders, Administrative Penalties and any other prescribed document or information (collectively known as administrative enforcement) is available on amvic.org.

Administrative review outcomes may include:

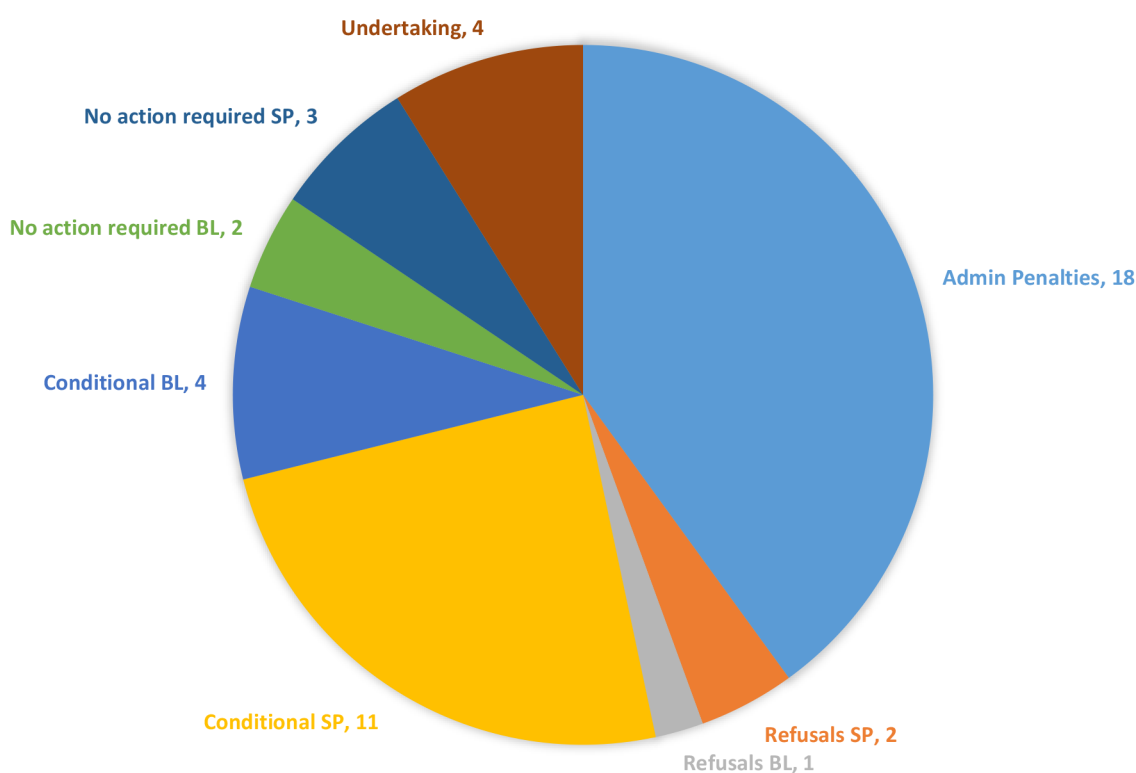
- no action required;
- Undertaking (a voluntary negotiated agreement that occurs after a legislation breach where the business or individual agrees to stop the practice described);
- Director's Order (lays out specific requirements to be fulfilled in order to comply with legislation);

- Administrative Penalty up to \$100,000 (a monetary penalty for failing to comply with legislation);
- conditions added to a licence; or
- licence cancellation or suspension.

The chart below highlights the administrative enforcement actions for Q1 of 2023 – 2024.

Visit amvic.org for compliance resources for your business to avoid enforcement actions.

Q1 ADMINISTRATIVE REVIEW ENFORCEMENT ACTIONS
APRIL 1, 2023 - JUNE 30, 2023



Legend

BL = Business licence
SP = Salesperson

Director's Orders issued re: pre-payment of loans

It has come to AMVIC's attention that some automotive businesses are misinforming consumers regarding the pre-payment of loans.

Section 68(2) of the *Consumer Protection Act* states:

Prepayment of non-mortgage credit Section 68 (2): "A borrower is entitled to pay the full outstanding balance under a credit agreement at any time without any prepayment charge or penalty."

Cost of Credit Disclosure Regulation: Initial disclosure statement for fixed credit 8(1): The initial disclosure statement for the purposes of Section 77 of the act for a scheduled-payments credit agreement must disclose the effective date of the statement and as much of the following information as is possible:

(s)" for a credit agreement other than a mortgage loan, a statement that the borrower is entitled to prepay the entire outstanding balance at any time without penalty and is entitled to make partial prepayments without penalty on any scheduled payment date;"

AMVIC has recently issued 11 Director's Orders (see chart) in relation to automotive businesses informing consumers they must keep a loan for a specified period of time, sometimes advising a penalty will apply if they do not. A [Director's Order](#) lays out specific requirements for a company or person to fulfill in order to comply with the *Consumer Protection Act* and its regulations.

Consumers have the right to pay off any non-mortgage loan in full any time after they sign or to make an extra payment with any scheduled payments without penalty.

All licensees must comply with Alberta's consumer protection laws. Breaches of the legislation may result in administrative enforcement action. Visit [amvic.org](#) for more information on enforcement actions.

183266 Alberta Ltd. o/a Kia of Red Deer	Nov. 15, 2022
FM Motors Ltd. o/a Westwind Honda	Jan. 17, 2023
South Trail N Ltd. o/a South Trail Nissan	Jan. 24, 2023
Woodridge Ford Lincoln Ltd.	Feb. 12, 2023
Sarcee Motors Ltd. o/a Honda West	March 20, 2023
Heartland Ford Sales Inc.	March 21, 2023
Maclin Motors Limited a/o Maclin Ford	April 6, 2023
Don Wheaton Chevrolet Buick GMC Cadillac Ltd.	April 13, 2023
ESCI Auto Ltd. O/a Subaru City	April 13, 2023
Advanced Auto Leasing Ltd. o/a Mac James Motors and Alberta Auto Credit	May 26, 2023
2296041 Alberta Ltd. o/a South Centre Volkswagen	June 13, 2023



Did you know?

The AMVIC [2022 - 2023 annual report](#) is available on [amvic.org](#). This edition includes the findings from the Advertised Price Compliance Inspection and Enforcement Project that AMVIC conducted between Jan. 24 and Feb. 10, 2023, in which 84 per cent of businesses inspected had sold vehicles over the advertised price (page 18).

AMVIC by the numbers

2022 - 2023



*Statistics are from Q1 of the 2023 – 2024 fiscal year (April 1, 2023 – June 30, 2023).



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