

## Excerpt from AMVIC's response to Go Public

We would not be able to comment on any one specific consumer situation or complaint but we can provide general information on deposits, down payments and vehicle purchases. AMVIC is aware of the widespread microchip shortage and supply chain issues that have led to reduced vehicle inventories and price fluctuations. Alberta automotive businesses must adhere to [all-in pricing](#), meaning the price advertised is the price the consumer should be paying plus GST and any costs associated with financing, if applicable. An automotive advertisement that includes a price is specific to a particular vehicle (with a stock number) and additional fees should not be added. However, manufacturer advertisements are more general, do not indicate a specific vehicle (stock number), may include a manufacturer's suggested retail price (MSRP) and are not subject to the advertising laws and regulations that AMVIC enforces, including all-in pricing.

It's important to note there is a difference between putting down a deposit on a vehicle and purchasing a vehicle. When a consumer purchases a vehicle, there is a bill of sale that must include certain vehicle information on it, including, but not limited to the make, model, year, colour, VIN and body type. If a consumer purchases a vehicle but the automotive business cannot supply the vehicle that was purchased, it could be considered an unfair practice under the *Consumer Protection Act* (CPA) (Section 6). In this case we encourage the consumer to file a complaint with AMVIC so we can further look into the situation.

### Deposit information

A deposit is money given to an automotive business to secure a vehicle. It usually means a consumer is interested in buying and wants the vehicle to be put on hold for them. **Consumers should remember that in Alberta, there is no "cooling off" period.** That means once you sign, you have contractually agreed that you will buy the vehicle. A consumer could put a deposit down and not buy a vehicle but the business may keep the deposit even if they agree to cancel the contract, depending on the deposit agreement.

**AMVIC can investigate deposit-related complaints if there is evidence that the consumer was misled or there was an unfair practice (Section 6 of the *Consumer Protection Act*). However, AMVIC does not have legislative authority over deposits or deposit disputes.** AMVIC recommends that a consumer speak to the general manager of the automotive business to attempt to resolve the issue or contact a lawyer to obtain legal advice.

### Some consumer tips on deposits:

- o Read the whole document you are signing. Take your time to understand everything. **Don't feel rushed.**
- o If it requires a signature, it's important.
- o If you don't understand, **ask questions.**

- o Take a trusted friend with you to help ask questions.
- o Don't rush to put down a deposit. Is it **in writing** that you can get the money back? Ensure the sales agreement clearly states whether the deposit is refundable or non-refundable and under what terms and conditions.
- o Consider using the recommended (optional) [deposit form](#).
- o Stop shopping for other vehicles after you sign the contract.

### **Down payment information: vehicle purchase**

A down payment is a commitment to purchase the vehicle and the money will lower how much needs to be financed. It also allows the financier to get some compensation upfront.

Down payments happen when the purchase is already going through. The down payment must be written on the bill of sale, and the money is handed over to the automotive business either in cash (debit), cheque, credit or a bank draft. Consumers often trade-in their current vehicle and the trade-in value can go towards or be used as the down payment.

In order to secure a certain interest rate when financing, it is quite common that a consumer would be required to pay a certain percentage of the vehicle's total purchase price as a down payment. For example, a consumer wants to buy a \$25,000 vehicle and get a three per cent interest rate on a four year loan. The financing company may ask for a down payment of 10 per cent (\$2,500) in order to qualify for that particular interest rate and term.

Consumer tips:

- The bill of sale should accurately list any down payment made towards the vehicle. Carefully review the bill of sale before you sign it.
- A down payment only happens when a purchase happens, meaning once you sign the bill of sale, you are contractually obligated to buy the vehicle. There is no "cooling off" period in Alberta.

### **Complaints information**

**AMVIC can look into:**

- Unfair trade practices
- Curbing
- Lack of disclosure
- Advertising
- Reoccurring complaints
- Odometer rollbacks

- Failure to pay out on consignment agreement
- Misrepresentation of repairs

**AMVIC cannot look into:**

- Motorcycles
- Manufacturer complaints
- Changes to vehicle stats (salvage, write-off)
- Warranty disputes
- Deposits
- Complaints about finance companies
- Insurance matters
- Poor workmanship
- Parts stores
- Private sales (except curbing)
- Auctions

Consumers can file a complaint via [amvic.org](http://amvic.org). Complaints will be individually evaluated and processed in terms of the best course of action.

Visit [amvic.org](http://amvic.org) to learn more about [budgeting](#), buying a [new](#) or [used](#) car and what to remember before you sign.

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