

Excerpt of email to Go Public from the Alberta Motor Vehicle Industry Council (AMVIC)

Advertising compliance remains the number one issue in all inspections conducted in 2021 – 2022; this includes not following all-in pricing requirements (ABR Section 11(2)(l)) as well as other concerns with the advertising legislation.

AMVIC has the authority to inspect all licensed automotive businesses in Alberta. Education plays an important role in every inspection that AMVIC conducts. As part of assessing regulatory compliance, AMVIC inspectors take considerable effort to educate, explain legislation and answer questions and identify areas of non-compliance.

AMVIC licenses about 7,700 automotive businesses including new and used sales, wholesale, consignment, recycling and dismantling, recreational vehicles and service and repair (representing about 50 per cent of licensed businesses with Alberta being the only province that regulates the service and repair industry). There are approximately 400 franchise dealers (e.g. Dodge, Toyota, Ford, etc.) in Alberta. During the later stages of the pandemic when the vehicle inventory shortage was severe, our inspections showed us that these businesses became more aggressive with their sales tactics. AMVIC continues to inspect all classes of automotive businesses and in addition, we are currently in the midst of a major inspection project focusing primarily on all-in pricing. These businesses are in the two major cities of Edmonton and Calgary and represent about 10 per cent of the franchise dealers. At this point we are unable to share any details but these are second inspections, meaning they have already been inspected once and issues were found.

An inspection can take anywhere from an hour to an entire business day depending on the size of the business and if followup is required. Upon completion of an inspection, the inspector will typically discuss with the general manager of the licensee the inspection findings to review and explain any issues found, educate and provide an information package with guidelines to come into regulatory compliance.

The progressive enforcement process often includes:

- The business is put on notice they are non-compliant through a findings letter after the first inspection.
- An inspector will return to the business in 12 – 18 months for a second inspection looking for outstanding practices to be corrected.
- A warning letter or enforcement action will take place at this point.

A summary of recent AMVIC's enforcement activities is included below:

- Last fiscal year AMVIC issued four Administrative Penalties. As per the PDFs publicly posted on our website, three have advertising as part of the reason in
- issuing the Administrative Penalty. All-in pricing is not directly mentioned in these Administrative Penalties.

- Last fiscal year AMVIC issued eight Undertakings. As per the PDFs publicly posted on our website, five have advertising as part of the reason in issuing
- the Undertaking. One of them specifically has ABR Section 11(2)(l) listed as part of the Undertaking.
- AMVIC has previously laid charges under Section 11 (advertising) of the ABR but not specifically under ABR Section 11(2)(l). Advertising concerns can also
- be in violation of CPA Section 6(4)(a) as an unfair practice.
- There are many initiatives underway. AMVIC is very much in the midst of dealing with this issue.
- This fiscal year, the Director of Fair Trading (as delegated) imposed conditions on one business in which one of their conditions is to adhere to all-in pricing.

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