



Registrar advises: The law requires full disclosure of all dealer fees and charges in the advertised price

Dealer fees and fixed charges need to be included in the advertised total price of a vehicle if they are mandatory. If purchasers are being told that the documentation fee is a standard charge required by the dealership, it must be included in the total advertised price. The VSA Advertising Guidelines published on July 15, 2009, stress this long-standing legal requirement.

"The law is clear and always has been," said Ken Smith, the Registrar of Motor Dealers and the President of the VSA. "After a deal has been made, consumers must not be surprised with last-minute compulsory surcharges. This practice is a deceptive act under the Business Practices and Consumer Protection Act (BPCPA). It can mislead consumers into thinking that the added fees are standard, routine or even required by law or industry practice. These fees are part of the dealer's original price and need to be negotiated up front. They are not to be added at the end after a final price has been agreed to - on the pretense that they are mandatory."

The VSA is concerned about recent reports of deceptive practices in vehicle pricing. These practices include advertising the list price of a vehicle at \$1,000, or more, below the current MSRP or the previously advertised price. Then a similar charge is sprung on the purchaser at the last minute, claiming it is a mandatory assessment that must be paid. This is clearly a deceptive act under the BPCPA. The purchaser may be entitled to a full refund on any such charges. In some cases, the customer may have the right to cancel the deal.

The updated Advertising Guidelines outline what the law requires be included in the total vehicle price. Total price is defined as the total amount that is payable, given, undertaken or assumed by a consumer. If a documentation fee is a required part of the dealer's final price, it must be included in the original advertised price. A documentation fee is any fee charged by a dealer for a service. These service fees can include administration, finance, registration, lien checks, vehicle history reports, or compulsory etching programs. They also include any other compulsory fees for services provided to a consumer in the sale of a vehicle.



**\$ SALE
PRICE**

What "fees" must be in the advertised price?

In addition to documentation fees, the VSA has had reports of other fees being improperly charged. These fees include: Green Fees (environmental, not golf), Administration Fees, Tag Fee and Government Fees. **The only additional charges that can be added as "standard" or "required" are sales taxes, the Battery Levy and the Tire Levy.**

All licensed dealers, salespeople and those responsible for dealership advertising, should become familiar with the updated Advertising Guidelines. The link is:

<http://www.mvsabc.com/documents/VSAAdvertisingGuidelines-July292009.pdf>