



Buying or leasing a used vehicle



May 2018

If you speak French

In many cases, you have the right to government services and legal proceedings in French, including hearings before French-speaking decision makers. If you have a legal problem, you can ask a lawyer or a community legal clinic about your French language rights.

Si vous parlez français

Il existe de nombreuses situations où vous avez droit à des services gouvernementaux et à des procédures juridiques en français. Ainsi, vous pouvez avoir droit à ce qu'une audience à laquelle vous êtes partie soit tenue devant un décideur qui parle français. Si vous avez un problème juridique, vous pouvez demander à un avocat ou à un intervenant d'une clinique juridique communautaire de vous informer des droits linguistiques liés au fait de parler français.

Table of Contents

What are my rights before I decide to buy?	2
Do I have to get it in writing?.....	3
What if I change my mind?.....	4
What if I was misled or pressured into getting the vehicle?.....	5
What if I have a problem with a dealer?	6
For more help	8
Other information	10

If you buy or lease a new or used motor vehicle from a dealer, you have rights under the Motor Vehicle Dealers Act. In this law, “motor vehicle” includes cars, trucks, and motorcycles but does not include snowmobiles, farm machinery, or construction machinery.

Anyone who sells or leases motor vehicles as a business must follow this law. They must also register with the Ontario Motor Vehicle Industry Council (OMVIC).

A registered dealer usually has a yellow-and-blue OMVIC sticker on their office door or window. You can also check online to make sure that the dealer is registered. There is more information about OMVIC on [page 6](#).

Private sellers are not covered under this law. You should be careful when buying from someone who is not a dealer because the law does not give you the same protections that you have when buying from a registered dealer.

Because new vehicles have manufacturers’ warranties, this booklet will focus on the protections and rights you have when buying or leasing a used vehicle.

III What are my rights before I decide to buy?

Before you buy or lease a used vehicle, the law says the dealer must give you certain information, including:

- the make, model, style, year, and if the vehicle has any badge or other marking related to a different model or vehicle
- the total number of kilometers the vehicle has been driven (This is often called the “mileage”. The dealer must also tell you if the mileage shown on the dashboard is not accurate or not available.)
- if the vehicle was used as a rental car, a police cruiser, an emergency services vehicle, a taxi, or a limousine
- if the vehicle ever had any fire, flood, or structural damage, or structural repairs or changes
- if the anti-lock brake system or airbags do not work
- if the vehicle is very different now from its original design and features
- if 2 or more body panels next to each other were replaced
- if the vehicle has had more than \$3,000 damage in any one accident, and the total amount of damage if the dealer knows

- if the manufacturer's warranty was ever cancelled for any reason
- if the vehicle was ever declared a total loss by an insurer, or qualified as irreparable, salvage, or rebuilt
- if the vehicle was ever reported stolen and then later recovered
- any other fact about the quality of the vehicle, if that fact could influence someone's decision to buy or lease the vehicle

III Do I have to get it in writing?

Yes, all the required information must be in a written contract. This document is usually called a purchase agreement or lease.

The contract must also include:

- your name and address
- the dealer's registered name, legal name, registration number, and business address
- the registered name and registration number of the salesperson you dealt with
- the date of the sale and the delivery date for the vehicle
- the VIN (Vehicle Identification Number)
- the vehicle's colour and body type

The contract must be clear about the price of the vehicle. It must include:

- an itemized list of charges
- anything that the dealer is including at no extra charge, as well as its retail value
- the total price, any deposit or down payment that you made, and the balance due
- any other charges, such as taxes

III What if I change my mind?

There is no “cooling off period” once you have signed the contract. This means that you will not be able to cancel just because you changed your mind or because your situation has changed.

But in some situations, you do have the right to cancel the contract. You can cancel at any time **within 90 days after you receive the vehicle** if the dealer did not tell you:

- the total mileage
- the make, model, or year
- that the vehicle was used as a daily rental, police cruiser, emergency services vehicle, taxi, or limousine
- that the vehicle ever qualified as irreparable, salvage, or rebuilt

III What if I was misled or pressured into getting the vehicle?

Dealers are not allowed to use “unfair practices” to convince you to buy or lease a vehicle. Unfair practices include making false, misleading, or deceptive statements. For example, dealers must not:

- tell you that the vehicle is of better quality than it really is,
- tell you that the vehicle is only available for a limited time if that is not true, or
- tell you that you are getting a special price or benefit when they are really offering the same thing that you can get somewhere else.

Unfair practices also include:

- taking advantage of any language difficulty or physical, mental, or emotional disability that you may have,
- charging far more than what is reasonable for the vehicle, or
- pressuring you to buy a vehicle that they know you cannot afford.

If the dealer used any unfair practice, you can cancel at any time **within one year after you signed the contract.**

III What if I have a problem with a dealer?

If you are having a problem with the dealer, the law says you must first try to resolve the problem directly with them.

It is a good idea to send the dealer a letter explaining your problem or concerns. Keep a copy for yourself. If you can, send the letter by registered mail or courier. That way you will have proof that the dealer got it.

You might want to have a different mechanic inspect the vehicle to confirm your concerns. You should also get a Used Vehicle Information Package from a Service Ontario office. Call Service Ontario at **416-326-1234** or toll-free at **1-800-267-8097**. You can also order a package online at www.ontario.ca/serviceontario. Also, try to get information from the vehicle's previous owner, if possible. All of this will help you in your discussions with the dealer.

If you cannot reach an agreement with the dealer, you can file a complaint with the Ontario Motor Vehicle Industry Council (OMVIC). OMVIC cannot force the dealer to do anything, but it will work with you and the dealer to try to find a solution. To get more information about this process, visit OMVIC's website at www.omvic.on.ca or call **416-226-4500**.

OMVIC also runs the Motor Vehicle Dealers Compensation Fund. This Fund can give you some or all of your money back in certain situations. For example, if:

- the dealer is bankrupt and owes you money
- the dealer fails to pay a court judgment, refund a deposit for a vehicle that it didn't deliver, or honour a warranty claim
- the dealer is convicted of certain offences or had its license revoked
- the dealer seriously misrepresented the vehicle to you
- the vehicle was seized by a law enforcement agency, or
- the vehicle was seized because of a debt owed by someone other than you

If OMVIC does not solve your problem, you can also sue the dealer in Small Claims Court. If the amount you are asking for is \$25,000 or less, you can file a claim in Small Claims Court. You must do this **within 2 years** of when you first knew about the problem.

For more information about Small Claims Court, visit the Ministry of the Attorney General's website at www.ontario.ca/attorneygeneral or call them at:

Toll-free **1-800-518-7901**

Toronto area **416-326-2220**

TTY Toll-free **1-877-425-0575**

TTY Toronto area **416-326-4012**

III For more help

You may need legal help for some situations. Here are some places to try.

Community legal clinics

Some community legal clinics or law school clinics can help you with consumer law problems. You must be financially eligible to receive these services. If your clinic cannot help, they might be able to refer you to other services in your community.

To find the legal clinic that serves your area, visit the Legal Aid Ontario (LAO) website at www.legalaid.on.ca or call Legal Aid Ontario at:

Toll-free **1-800-668-8258**

Toronto area **416-979-1446**

Toll-free TTY **1-866-641-8867**

Toronto area TTY **416-598-8867**

Law Society Referral Service

The Law Society of Ontario has a directory of all lawyers and paralegals licensed in Ontario. The Law Society Referral Service can give you the name of a lawyer or paralegal in your area who can give you a free consultation for up to 30 minutes.

Visit the Law Society website at www.iso.ca and click on “**Find a Lawyer or Paralegal**” or call them at:

Toll-free**1-800-268-8326**

Toronto area **416-947-3330**

JusticeNet

JusticeNet is a nonprofit service that helps people who do not qualify for legal aid to find legal help. JusticeNet has a directory of lawyers, paralegals, and mediators who offer help at reduced rates to financially eligible people. Visit their website at www.justicenet.ca or contact them at:

Toll-free**1-866-919-3219**

Toronto area **416-479-0552**

Email..... support@justicenet.ca

Pro Bono Ontario

If you are suing or being sued in court, you may be able to get help from Pro Bono Ontario. This free program offers information about court rules and help with completing court forms. If you qualify, you may also be able to get brief legal advice or, if your case is in Toronto or Ottawa, a lawyer to represent you in court. For more information call **1-855-255-7256** or visit their website at www.probonoontario.org.

III Other information

CLEO has a series of consumer law information resources available online and in print. To order these publications or view them online, visit www.cleo.on.ca or call **416-408-4420**.

CLEO's **Steps to Justice** website has step-by-step information about common legal problems, including debt and consumer rights. Visit www.stepstojustice.ca.

This booklet gives only general information. You should get legal advice about your own situation.

Written by:

Community Law School (Sarnia-Lambton) Inc.

Produced by:

CLEO (Community Legal Education Ontario/Éducation juridique communautaire Ontario)

With funding from:

Legal Aid Ontario
Department of Justice Canada

CLEO has more free publications on Consumer Law and other legal topics. We revise our publications regularly to reflect changes in the law. Our Discard List tells you which publications are out of date and should be thrown away.

For our Discard List, or to order or view our publications online, visit www.cleo.on.ca. You can reach us by phone at **416-408-4420**.

CLEO's **Steps to Justice** website has step-by-step information about common legal problems, including debt and consumer rights. Visit www.stepstojustice.ca.



CLEO | May 2018