



## CHECKLIST

### ADDITIONAL INFORMATION

#### **Determine your requirements and your financial resources**

As a purchaser, you should ensure that the vehicle truly corresponds to your needs and financial resources. In addition to the purchase price, you should think about the expenses related to the purchase (taxes, registration, etc.) as well as the annual expenses of owning a vehicle (insurance, maintenance, repairs, etc.).

#### **Take a road test**

You wouldn't buy shoes without first trying them on; the same goes for an automobile you want to purchase. A road test will provide an opportunity to learn more about the vehicle's behaviour, its accessories and noise levels.

Since January 2007, merchants can no longer refuse a road test.

#### **Have the vehicle inspected**

In addition to carrying out a road test, you should have the vehicle inspected by a mechanic, whether you are purchasing it from an individual or a merchant.

Since January 2007, merchants can no longer refuse a consumer's request to have a vehicle inspected.

#### **Ask for invoices relating to maintenance and check the stated mileage**

Invoices provide purchasers with information about the maintenance carried out on the vehicle and its actual mileage. Furthermore, these tuneups are sometimes essential for maintaining the manufacturer's basic or extended warranty.

If the vendor does not have these invoices, it is often possible to obtain information about the maintenance carried out on the vehicle by a manufacturer's dealer, when the maintenance was carried out by that dealer or by another dealer. Take the opportunity to verify whether there have been any automotive recalls on the vehicle.

## **Consult the Register of personal and movable real rights (RDPRM)**

An automobile may previously have been purchased on credit, leased or given as security. In such a case, the person in possession of the vehicle cannot sell it without the authorization of the entity that has a financial lien on the vehicle (a bank or other entity).

Currently, fees vary depending upon the information provided and the service used. The fees are \$3 (over the Internet) or \$6 (by telephone) if you have the VIN (vehicle identification number; also known as the “serial number”). If, instead, you have the name of the vendor, the fees are \$8.00 and \$11.00, respectively.

The following are the relevant phone numbers:

Montreal and surroundings:	514-864-4949
Québec City and surroundings:	418-646-4949
Elsewhere in Québec:	1-800-465-4949

Web site: <http://www.rdprm.gouv.qc.ca/en/pages/english.html>

## **Consult the vehicle’s history at the SAAQ**

The SAAQ file indicates the mileage provided by previous owners for transfers made since 2001, the use of the vehicle (commercial, taxi), its origin and whether the vehicle was rebuilt or was involved in a serious accident.

Beware of vehicles from the United States! If the vehicle was declared a “total loss” following the September 2005 Louisiana hurricanes, it will not be possible to register it or drive it in Québec until certain rules have been followed. The vehicle will have to undergo a technical appraisal and a mechanical inspection. It may be declared a “write-off.”

For more information, please consult the Web site of the *Société de l’assurance automobile du Québec*:

<http://www.saaq.gouv.qc.ca/en/index.php>

Currently, the fees are \$10.00 with the VIN. The names of past owners is also recorded, but will merely state “individual” if the owner was an individual. This information is not available over the phone. It is available by mail or in person at one of the SAAQ’s service centres or at the office of one of its authorized representatives.

## **Check with the SAAQ to determine if you can register the vehicle**

A person with unpaid fines cannot sell or purchase a vehicle. As soon as the SAAQ is notified that a driver has unpaid fines (related to driving an automobile), the driver is no longer entitled to sell or purchase a vehicle.

For more information, please consult the Web site of the *Société de l'assurance automobile du Québec*:

<http://www.saaq.gouv.qc.ca/en/index.php>

You can check the right to register a vehicle by using the Web site of the SAAQ for a fee of \$1.50. You need the driver's licence number of the person for whom you want the information. You can also check this information by calling the automated customer service number at 1-900-565-1212. There is a fee \$1.50 per call.

## **Contact the Insurance Bureau of Canada**

The IBC offers a free investigation service where you can find out if an automobile has been declared stolen. You will need the VIN. The telephone number is 514-933-8953. Your insurance broker or agent can obtain this information.

You can also obtain this information through the Internet by doing a search on the Web site of the Canadian Police Information Centre. You will need the VIN and the search is free: [www.cpic-cipc.ca](http://www.cpic-cipc.ca)

## **Set out all agreements in the contract**

Words fly away, writings remain! This saying is particularly applicable to contracts for the purchase of a used automobile. The contract between a consumer and a merchant must always be in writing and must contain certain prescribed information. With an individual, the contract may be oral, but we recommend that it be set out in writing.

The vendor may agree to make or pay for certain repairs, to install winter tires, to add accessories or to provide a specific warranty. Record this in writing and avoid subsequent discussions.

## **Demand to see the label which must be affixed on vehicles sold by a merchant**

The label must contain certain information useful to consumers. In particular, if the automobile was used as a taxi or a leased automobile, that fact must be indicated on the label. The label must also indicate the category of warranty of good working order, if

applicable. Moreover, it must set out the merchant's obligation to provide, upon request, the contact information of the previous owner.

### **Inform yourself about the merchant's practices**

Nothing is better than word-of-mouth information from your relatives, friends and co-workers. Furthermore, the *Office de la protection du consommateur's* Web site offers information about merchants. The section "Renseignez-vous sur un commerçant" indicates among other things, the number of complaints filed against a merchant over the past few years as well as the reasons for those complaints.

### **Verify that the vendor is not a "fake individual"**

Some "individuals" are, in fact, merchants. It is not easy to identify them, but certain clues can help you. Have you seen several different vehicles advertised under the same telephone number? When you ask to see the automobile being sold without providing more details, does the person ask you "which one"? If the answer to one of these questions is "yes", you should be careful. You are probably dealing with a "fake individual."

### **Determine whether the contract contains restrictions on the warranty**

Be particularly careful if the contract contains certain exclusion of liability clauses such as "the purchaser is purchasing the vehicle without a warranty," "at his own risk" or "as is." A merchant cannot exclude the legal guarantees. However, this type of exclusion may be possible if the sale is made by an individual (see below: Warranty against latent defects).

## **Warranties**

### **Manufacturer's warranty on new vehicles (basic or extended)**

It is advisable to ask the manufacturer or a dealer if the warranty is still valid.

If the warranty is still in effect, it is transferable at no cost. You must ensure that the maintenance has been carried out as required. Otherwise, the warranty could be void.

### **Legal warranty of good working order**

This warranty protects consumers who purchase vehicles from merchants. The warranty must be indicated on the label and on the contract for the vehicle. It should be noted that this warranty does not cover service for regular maintenance. Furthermore,

the merchant may exclude certain repairs, but the merchant must indicate this on the label, provide an estimate of the cost of the repair and undertake to make the repair at that price.

The duration of the legal warranty of good working order is:

- 6 months or 10,000 km for a vehicle that is 2 years old or less and has covered 40,000 km or less
- 3 months or 5,000 km for a vehicle that is 3 years old or less and has covered 60,000 km or less
- 1 month or 1,700 km for a vehicle that is 5 years old or less and has covered 80,000 km or less
- 0 month for a vehicle that is more than 5 years old or has covered more than 80,000 km

### **Legal warranty of normal use**

Merchants must warrant that a vehicle can be used for a normal period of time in light of the price paid. This warranty protects consumers even if the warranty of good working order has expired or if there is no warranty of good working order because the automobile is too old.

Consumers can also exercise their recourse against the manufacturer, if applicable.

### **Warranty against latent defects**

If a consumer has purchased a vehicle from a merchant, the warranty against latent defects may be exercised against the vendor as well as against the manufacturer.

If the purchase has been made from an individual, the warranty against latent defects cannot be exercised against the vendor under the *Consumer Protection Act (C.P.A.)*. Recourses provided for in the C.P.A. cannot be exercised against a vendor who is not a merchant within the meaning of that Act.

However, even if the C.P.A. does not apply to a vendor who is an individual, in principle, such a vendor warrants that the vehicle does not have any latent defects. This obligation is provided for in the Civil Code of Québec.

Warning: A vendor who is an individual may want to exclude his liability by indicating that the purchaser is purchasing without a warranty (“at his own risk” or another similar expression). It should be noted that there is a legal controversy regarding the validity of such clauses and the right for a vendor to exclude his liability if he is aware of the defect.

A merchant can never exclude its liability with such a clause.

A recourse with respect to a latent defect may be exercised against the manufacturer, even if the vehicle has been purchased from an individual.

## **Vendor's warranty or additional warranty**

In addition to the legal warranties mentioned above, a vendor who is a merchant can grant a contractual warranty for which the merchant will be responsible. For example, a merchant may grant a consumer a free warranty of three months on the automobile sold, even if the duration of the legal warranty of good working order is shorter.

Often, a merchant will provide a consumer with the opportunity to purchase an additional warranty that is offered by another independent entity specialized in the field. You should familiarize yourself with the exclusions and conditions attaching to such a warranty before signing the contract of additional warranty.

## **Rights and recourses – after the purchase**

If a problem arises, the purchaser should quickly send the vendor a demand letter asking the vendor to respect the warranties and repair the vehicle. If the vendor does not do so, the purchaser must institute proceedings in order to have the contract cancelled or his obligations as a purchaser reduced. In general, a purchaser must institute recourse within three years. In the event of a legal dispute, we suggest you consult a lawyer.

Under the *Consumer Protection Act* (C.P.A.), vendors who are merchants must comply with several other obligations regarding the form and content of the contract as well as the manner in which they deal with consumers. This is why some of them try to circumvent the law by passing themselves off as individuals. These are the “fake individuals” we referred to above. Beware of them.

Among the obligations set out in the C.P.A., merchants are expressly forbidden from carrying out certain unfair practices. These include misrepresentations regarding the odometer or the condition of the vehicle as well as the failure to state a material fact regarding the vehicle's prior use.

## **Other useful information**

### **Stolen vehicles**

You can find out if an automobile has been declared stolen through the Internet by doing a search on the Web site of the Canadian Police Information Centre. You will need the VIN (Vehicle Identification Number) and the search is free: [www.cpic-cipc.ca](http://www.cpic-cipc.ca)

### **Advertising**

If an automobile has been rebuilt, the merchant must state this fact in the advertising for the vehicle.

## **Right of cancellation**

Contrary to popular belief, a consumer cannot generally ask for the cancellation of his contract for the purchase of a used automobile at his sole discretion or without penalty. However, there is an exception when the contract of purchase involves a contract of credit. In such a case, the purchaser may request the cancellation within two days of being in possession of a duplicate of the contract, provided he returns the vehicle in the same condition in which he received it. It should be noted that this right of cancellation does not apply to a new automobile of which a consumer takes delivery.

Another exception applies when the vehicle is offered outside the merchant's habitual place of business. This may be a purchase made within the scope of an itinerant merchant's business; in such a case, the deadline for cancellation without cost is ten (10) days. It should be noted that there are exceptions to the exception and a prudent consumer should inquire about his right of cancellation before entering into a contract. If the merchant confirms this right, the consumer should ask the merchant to state it in the contract.

## **Taxes**

It is always tempting to indicate a fictitious reduced purchase price in order to reduce the amount of taxes. Unfortunately, in addition to being illegal, doing so will cause problems in the event of a request for the cancellation of the contract and the reimbursement of the amounts paid.

## **Long-term leases**

Most of the comments apply, with any necessary modifications, to the long-term lease of a used automobile.

## **Used motorcycles**

Most of the comments apply, with any necessary modifications, to the purchase or long-term lease of a used motorcycle. The warranty of good working order differs.

## **Merchant's permit**

Used automobile merchants must hold a permit issued by the SAAQ. The permit number must appear on the contract. To obtain a permit, a merchant must provide security to guarantee the execution of a judgment or transaction following proceedings instituted under the C.P.A. When dealing with a merchant who is not very solvent, in order to take advantage of this security it is preferable to institute proceedings under the C.P.A. instead of the Civil Code of Québec if the legislative provisions in question are equivalent.