



## News

### Results from latest APA investigation

For Immediate Release

The Automobile Protection Association released the results of its latest undercover investigation today. For this year's investigation, the APA paid special attention to the new breed of used car superstores. Although they frequently advertise themselves as auction houses, wholesalers or liquidators, the APA says what they really are is large used car dealerships. The investigation focussed on advertising placed by the big dealers because, says APA president George Iny, "it's been generating a lot of negative publicity."

The superstores have a large selection of late-model vehicles, usually with low non-negotiable selling prices, which makes the buyer's job a lot easier. Most of the large used car dealers now have indoor showrooms; franchised new car dealers are at a disadvantage, says the APA, as the car manufacturers rarely allow them to display used vehicles indoors.

#### Encan Direct H. Grégoire still playing catchup

The APA mystery shoppers phoned Encan H. Grégoire for several vehicles advertised in the morning's paper, only to learn over the phone that they had already been sold. Strangely, when the APA shoppers showed up on the lot, some of them were still there! The advertised 2002 Dodge Caravan at \$8,400 was actually available, but not washed and needed about \$1,000 of bodywork to its front end. However, there were several similar vehicles in stock at prices starting around \$9,500. An advertised 2001 Oldsmobile Alero turned out to be a relatively undesirable two-door base model with no air conditioning. Encan Direct's advertising representations to the effect that vehicles are being sold at \$399 over cost have been corrected. However, the salesperson still represented the car as being sold at the auction price plus \$399.

#### Occasion en or, gold or gold plated?

The APA mystery shoppers visited four dealerships belonging to Occasion en or, the network set up by the CCAQ, Quebec's new car dealer association; only one dealer passed. APA President George Iny said the Occasion en or dealers generally have the advertised vehicle available at the advertised price. However, the mystery shoppers discovered that the 2002 Saturn Vue SUVs advertised from a low \$12,995 by several Saturn dealers, were in fact one Vue at the advertised price, and it was being shared by three dealers. Only one dealer mentioned the Occasion en or 10-day exchange policy.

To better evaluate Occasion en or, the APA actually purchased a car from a dealer belonging to the network, a well-equipped 2000 Echo attractively priced at \$8,000. The Toyota dealer had the car in stock at the advertised price with no extra fees. According to the salesperson, the buyer could have the vehicle inspected prior to purchase only if

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he agreed to have it towed to the independent shop and back. A subsequent pre-purchase inspection at the dealership by an APA-recommended mechanic revealed worn out tires and some engine repairs required before delivery; the car needed some \$800 of work before the sale went through.

Several used car dealers misrepresent their relationship with the APA

Several used car dealers misrepresented themselves as being recommended by the APA. To obtain an APA accreditation a used car dealer has to provide a 30-day moneyback warranty and agree to arbitration by the APA in the event of a disagreement. None of the dealers included in the survey has signed an agreement with the APA. Among the more outlandish representations, Corporatif Renaud's salesperson said the APA comes in to check their books. At Courtier d'Autos M.G. a sign in the window reads Recommended by the APA. Auto Depot captured the APA logo off the Association's web site.

Quebec dealer associations demanding action

The APA is very pleased to see that both the new and used car dealer associations in Quebec are asking for a cleanup of used car advertising. Among the improvements they want to see: Real cars at the advertised price, and an end to extra auction fees, paperwork fees, preparation fees that run from \$399-\$550. Advertisers should stop leading buyers to believe that they're wholesalers, liquidators or auction houses when they're doing mainly retail sales.

What you can do

- Smart shopping starts with the right information. The APA's Complete Used Car Guide (587 pages, published by HarperCollins) is included at no charge with the membership in the Association.
- Take the ad with you to the dealer.
- If the dealership is unable to match its own advertised offer, take your business somewhere else, and take the ad along with you. Chances are, the other dealer will do his best to match the deal.
- Have the used vehicle inspected before you buy it. APA's recommended used car inspector will go right to the vehicle. The service costs \$80 in Greater Montreal and can be booked within 48 hours at (514) 751-0871.

Some successful outcomes

Liquidation de Saisie P.B.

Large selection of well-prepared vehicles. Attractive indoor showroom. Large well-equipped service facility. Notwithstanding the name, there is very little bankruptcy liquidation going on. The downside: an extra charge of \$395 on every vehicle (but it's disclosed prominently).

Courtier d'Autos M.G.

Good selection of late model vehicles at low prices. NO extra fees. Vehicles receive a limited inspection and complete detailing. Minimum 1month/1,700 km bumper-to-bumper warranty on everything they sell.

Some failures

Encan Corporatif Renaud

Encan Corporatif Renaud advertised its vehicles at \$399 over the auction price -- blatantly misleading says the APA, because you wouldn't have enough money to wash the car after paying for repairs and overhead with such a small markup. The dealer's recent advertising has dropped this representation. The dealer recently adopted a new and equally misleading company name: Retour des fabricants automobiles.ca. In fact, there is no link with any manufacturer, just regular lease returns like everyone else. The dealer has two lots which are now misleadingly called "Distribution Centres".

Complexe Auto Premier Choix

Vehicles are nicely prepared for sale. Large indoor showroom. Extra charge of \$495 from last year reduced to \$299. The dealer failed however due to its advertising which contained ridiculously low payments of \$19 to \$69 and indicated in the small print that it applies to weekly payments, with no prices for the vehicles.

Automobiles Fortier

Dealership advertises a 10,000 vehicle inventory. The APA shoppers learned that the inventory is in cyberspace and can be ordered over the Internet from other dealers – not real cars available at the dealership. An extra preparation charge at the excessive price of \$549 is levied on every car.

Desmeules Hyundai

At \$595 per vehicle, the highest charge for extra fees in the survey.