



Misleading or false information about the vehicle

Fair Trading Act

A person in trade can breach the Fair Trading Act if they provide you with misleading or false information about the vehicle. This information could be an advertisement, notice or sign with the vehicle, or simply a statement made by the trader. A person in trade includes motor vehicle traders (registered or unregistered), importers, wholesalers, vehicle auctioneers and car market operators, or anyone selling a motor vehicle in the course of a business.

All information about the vehicle must be correct and must not be misleading, including the information on the Consumer Information Notice.

If a trader has made a misleading or false representation, and you have suffered loss as a result of that representation, you may be able to claim compensation from the trader.

What amount of compensation am I entitled to?

The amount will depend on the nature of the misrepresentation and how much it may have affected the vehicle's value.

For example...

Bethany bought a car which she thought was manufactured in 2004, as this was stated on the Consumer Information Notice. She later found out it was actually a 2000 model. If Bethany can prove that she paid more than the reasonable price for a 2000 model car, her compensation may be based on the difference between what she paid for the vehicle and what the vehicle was actually worth when she bought it.

Claiming compensation

If you are unable to resolve the matter with the trader you could take a claim to the specialist Motor Vehicle Disputes Tribunal or to the general Disputes Tribunal.

[See here for more information see Motor Vehicle Disputes Tribunal.](#)

The Fair Trading Act gives Tribunals a wide range of remedies, where they are satisfied that a trader has breached the Act and that you have suffered or are likely to suffer a loss.

A Tribunal can order:

- that your contract with the trader be varied, or changed in a way that compensates you for your loss
- that your money be refunded, or your trade-in returned
- that the trader pays you an amount of money to compensate you for the loss you have suffered as a result of being misled
- that the trader repairs the vehicle or provides parts for it.

Who can I report a breach of the Fair Trading Act to?

You can report misleading conduct by a trader to the Commerce Commission. The Commission will also accept reports of motor vehicle traders offering vehicles for sale where the Consumer Information Notice is missing or the information on the notice is inaccurate, incorrect or misleading.

Contact the Commission's contact centre:

Phone 0800 943 600, write to PO Box 2351, Wellington 6140

[Visit their website](#) or send them an [email](#)

Consumer Guarantees Act

The Consumer Guarantees Act applies to any vehicle sold by a person in trade where the vehicle is of a kind ordinarily acquired for personal or domestic purposes. 'Ordinarily acquired' means something usual or common to buy.

A person in trade includes car-yard traders, importers, and wholesalers that sell to the public. It also includes unregistered motor vehicle traders. The Act does not apply to sales by auction or competitive tender or to private sales.

The Act provides a guarantee that the vehicle will match its description.

For example

Helen sees a car advertised on a trader's website. She orders the car based on its picture and description. When the car is delivered to her, the colour is different to the photo and information provided.

If the difference is minor, Helen could ask the dealer to fix the problem. If the description is substantially different, the remedy may be a refund.

[See here for more information on the remedies available under the Consumer Guarantees Act.](#)

For private sales

Contractual Remedies Act

Under this Act you may have rights against a private seller if you can prove that:

- you were persuaded to buy the vehicle by what the seller said
- the seller's statements are untrue
- the seller's false statements have caused you loss.

If you can show these three things, you may have a right to be compensated by the seller. You may have a right to compensation or you can cancel the contract and get your money back.

Claims for compensation against motor vehicle traders under this Act can be made to the general Disputes Tribunal or the specialist MVDT.

For example

Tem tells Lisa that the car he is selling recently had its engine reconditioned. She finds out one week later that the engine has not been reconditioned. Lisa can claim compensation from Tem or, because the misrepresentation was so serious, Lisa can cancel the purchase and get her money back.

Claims for compensation against private sellers can be made to the general Disputes Tribunal.

[See here for more information on The Disputes Tribunal.](#)