

Selling used cars



This is an Easy Read document, but you may still need help reading it.

A friend, family member or support person may be able to help you

A licence to sell cars

The law says you must have a **licence** as a second-hand vehicle dealer if:



4 or more cars



- you buy, sell or offer for sale four or more cars in 12 months



- you and a close associate (e.g. your spouse, partner, brother or sister) offer to buy or sell six or more cars in 12 months.

Both you and the associate must have a licence.



These same rules apply if you are buying or selling second-hand motorcycles.



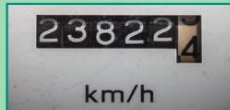
If you are a licensed dealer, you must not pretend to be a private seller to try to get out of your legal responsibilities.

Odometer rules



You must not change an **odometer** – unless you have been given approval from Consumer and Business Services (CBS) before you change it.

Changing an odometer includes things like:



- replacing
- repairing
- changing the numbers

- replacing it
- repairing it
- changing the numbers on it.



You could face a big penalty if you change an odometer without approval from CBS.

Dealer responsibilities



Licensed dealers must follow the

- *Second-hand Vehicle Dealers Act 1995* and
- Australian Consumer Law.

If you don't do what these laws say, CBS could take action. For example:



- give you a formal warning letter



- fine you



- warn the public not to deal with you



- or take court action.

Your business requirements include:

Sales address



- You must register your sales address with CBS when you apply for your dealer's licence.

You must tell CBS if you change address or wish to add more locations to your licence.

- **Convicted**
- **Suspended**
- **Disqualified**



- You cannot employ salespeople who have been convicted of certain offences or suspended or disqualified from some jobs.



- Each year you must pay a fee to the Second-hand Vehicles Compensation Fund.

This fund protects people from dealers who don't act legally. You pay the fee when you renew your licence.

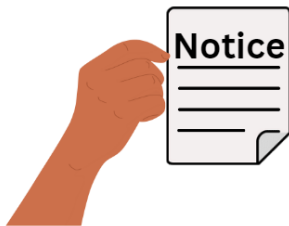
Written information and contracts



You must put a notice on a vehicle for sale.

The notice must include things such as:

- the price of the vehicle
- make and model and year of manufacture
- registration number and year of first registration
- engine number
- odometer reading.



You must give a copy of this notice to the buyer.



You must not give buyers any information that is not true or might lead them to believe something that isn't true.



When you sell a vehicle there must be a written contract which is signed by both you and the buyer.

You must give a copy of the contract to the buyer.



Cooling off

The buyer has 2 clear business days to think about the purchase.

Saturdays are also business days.

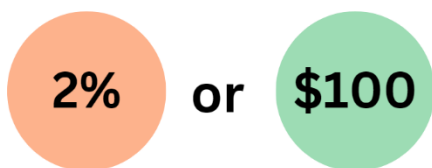


The buyer may cancel the contract by giving you written notice within the 2 days.



Payments

You can ask a buyer to pay a deposit up to 10% of the selling price.



If the buyer cancels during the cooling off period, you can only keep 2% of the contract price or \$100, whichever is **less**.

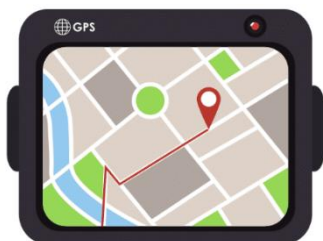


You must give the rest of the money back to the buyer.

- ✓ Roadworthy
- ✓ Known defects - tell buyers

Defects

You should only sell vehicles that are **roadworthy** and tell buyers about any known **defects** (problems).



Some problems don't affect how the car runs. For example, problems with the navigation system or air conditioning. Not every defect is covered by a warranty.



You must not sell a vehicle classified as a statutory **write-off**.



You must tell buyers if a car has ever been recorded as wrecked, written off or has had significant damage because it has been exposed to water.



You must tell buyers if the car is a '**repairable write off**'.



Repairs must be done to a good standard.



If a car comes to you for repairs, and you cannot or will not do the repairs in a reasonable time, the vehicle owner can apply to CBS for a conciliation conference to try to fix the matter.

In some cases CBS could take action against you if you:



- don't attend the conference

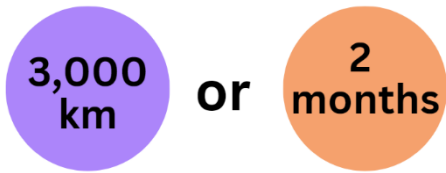


- behave poorly at the conference



- don't do your part with an agreement made at the conference.

Statutory warranty



For cars priced between \$3,001 and \$6,000, the warranty covers the car for up to 3,000 km or 2 months, whichever occurs first



For cars priced over \$6,000, the warranty covers the car for up to 5,000 km or 3 months, whichever occurs first.



The statutory warranty does not apply to motorcycles.

The statutory warranty does not apply to cars that:



- have been sold for \$3,000 or less



- have travelled over 200,000 kilometres before the sale



- were first registered more than 15 years ago.



Australian Consumer Law

Under the Australian Consumer Law, as a licensed dealer you guarantee that vehicles will be of acceptable quality.



You also guarantee that any manufacturer's warranty, express warranty or extended warranty will be honoured.



Either you or the manufacturer must fix defects if a consumer guarantee is not met.

Consumer guarantees:



- apply to all vehicles, even if there is no warranty



- aren't limited by a certain timeframe or number of kilometres travelled



- apply for a reasonable period of time, even when a warranty finishes. What is 'reasonable' depends on things like the price paid, age of the vehicle and distance travelled.



But if a buyer causes a defect by misusing the vehicle, you don't have to fix it.

For more information



Visit SA.GOV.AU for more information about [second-hand vehicle dealer responsibilities](https://www.sa.gov.au/second-hand-vehicle-dealer-responsibilities).



If you have questions about your licence contact CBS via occupational@sa.gov.au.

If you think a car seller is breaking the law report this to CBS via:



- the online form at cbs.sa.gov.au/contact



- or call CBS on 131 882.