

**AA Submission: Review of the Consumer Information
Standards Regulations 2003 (14 Jul 2006)**

14 July 2006

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Dear James

Review of the Consumer Information Standards Regulations (SIN card)

Introduction

The New Zealand Automobile Association (NZAA) welcomes the opportunity to provide comment on the Supplier Information Notice (SIN card).

As an organisation with a membership exceeding 1 million vehicle owners and drivers in New Zealand, close attention is given to any proposals that affect motorists as consumers.

We circulated the discussion document to our 17 District Councils for comment. The AA District Councils are representative of the membership and deal with policy issues.

The NZAA has previously commented on the SIN card as part of our submission on the review of the Motor Vehicle Sales Act last year. In that submission we said that:

- the public may not be aware of what to do if a dispute arises;
- the SIN card was poorly named, and was not providing the best information for consumers, or enough information about the vehicle. We suggested that the SIN should include the number of previous owners, and list any modifications to the vehicle;
- the SIN does not help the buyer or seller by restricting information that can be displayed.

We concur with the Ministry that the current format of the SIN is too complex, too detailed, and thus negates its usefulness as a consumer information tool while also precluding the provision of other information which may enable the buyer to make a more informed purchasing decision.

This submission re-iterates the points in our earlier submission, while providing additional comments on specific items raised in the discussion document (where relevant). We hope that you find these helpful in reviewing the SIN card, and welcome the opportunity for further input.

Comments on the discussion items

Supplier (seller) details:

Supplier's name and address and contact information

The current details should continue to be displayed. The supplier name on the SIN card should be exactly the same as on the Motor Vehicle Traders Licence, though there could be provision for including a "trading as" name as well.

Registered motor vehicle trader and registration number

If the dealer's registration number is on the card, the requirement to also tick a box is superfluous. But if the seller is not registered, then they must state unequivocally that it is a private sale, or for sale by auction. This could be noted in the box for the registration number. If no number is displayed, then the consumer can infer it is a private sale (even if left off by a registered trader) and take this into consideration when deciding to purchase.

Sale and standard vehicle details

Cash price

We agree that on-road costs should be included on the SIN card, but to enable buyers to make simple and clear comparisons between vehicles on sale, the quoted "cash price" should *include* all those costs required to be met so the vehicle can be driven on the road. However, where potentially variable on-road costs such as licensing and compliance have not yet been met by the supplier, there should be provision for quoting a "discounted price" with those on-road costs clearly excluded.

We believe it would be helpful to consumers for auction or tender SIN cards to indicate an expected price range as an option.

Security interest

We support requiring an unequivocal statement from the supplier as to whether there is a registered security interest on the vehicle. However, provision also needs to be made for suppliers to clarify the nature of that "security interest". The present requirements to disclose "security interests" potentially mislead consumers as to the nature of the debt against the vehicle, suggesting it could be unpaid hire purchase when it may just be part of the dealer's finance company floor plan, or leaving it unclear as to whether clear title is being or even can be guaranteed by the seller. A clear statement and explanation will then encourage buyers to seek more information or clarification.

Where vehicles or plates have been reported as stolen their details should be locked on the LTNZ motor vehicle register so no change of ownership can be processed, alerting an unwary purchaser to the fact that they may be buying a stolen vehicle.

Make and model, engine capacity, and operating fuel type

As engines can be changed and some models can be powered by a range of different sized engines, it is important to continue specifying engine capacity and require the sellers to ensure they have correctly identified the engine in the vehicle.

Vehicle Identification Number or chassis number

The use of VIN numbers in place of original chassis numbers has virtually eradicated the ability of consumers to ascertain the age and origin of a vehicle by using its identifying numbers. Consequently VIN numbers have little relevance to the consumer, so could probably be removed from SIN cards without any adverse consequences.

Date attributes (vehicle year, YoM, YoFR)

We concur that the requirement to display the Vehicle Year, as defined in the SIN, is of little relevance to consumers, and could be deleted. Separate fields for Year of Manufacture or Year of First Registration would be more helpful in determining the actual age of the vehicle and length of use. However, with the movement of vehicles from country to country, delays between manufacture and first registration, and the replacement of original chassis numbers with VIN numbers, reliably ascertaining either the YoM or YoFR of some vehicles is difficult. Thus requiring suppliers to provide such information should be optional if they cannot be reliably determined. On the other hand, provision should be made on the SIN to list these dates, where known, to allow the consumer to best determine the vehicle age.

Actual distance the vehicle has travelled

We recognise it is no longer easy for sellers to accurately ascertain “the actual distance the vehicle has travelled” for many of the imported or new vehicles sold in New Zealand. LTNZ Certificates of Registration no longer provide full and reliable records of ownership and mileage, and the records of used imports are similarly unreliable. However, where licensing or RUC records do document the actual distance travelled, this should be displayed on the SIN. If not, then only the odometer reading should be listed, with an appropriate disclaimer that this doesn’t imply it’s the true distance travelled, leaving the consumer to judge the worth and desirability of the vehicle from its overall mechanical condition and attributes.

Vehicle registration and vehicle licence

Whether a vehicle is registered and licensed should be clearly displayed on the windscreen in the format now familiar to all road users. Therefore it is unnecessary to place such information on the SIN card in the various options proposed by the Ministry, which would also require costly checking and updating of the SIN card if vehicles remain unsold for weeks or months. If the vehicle is unlicensed, this can be noted alongside the cash price (i.e. “excludes registration”).

Registration plate number

If the vehicle is not recorded on the motor vehicle register, then this field of the SIN can simply be left blank to signify to buyers that it is unregistered (and unlicensed).

Warrant or Certificate of Fitness

As any WoF or CoF sticker should be clearly visible on the windscreen, there is no need to include it on the SIN card. If it’s not on the windscreen, this would signify to buyers that the vehicle is not currently warranted. For vehicles advertised on the internet, the WoF or CoF expiry date should be advised separately. The SIN should however advise buyers that the vehicle must be sold with a current WoF or CoF (less than 28 days old) at the point of sale, or otherwise, that the seller must state the vehicle is for sale ‘as is, where is’.

Road User Charges apply and outstanding RUC

The AA considers that information about RUC has not been sufficient in the past to properly inform consumers. We suggest that for all vehicles subject to the RUC regime, this should be noted near the cash price on the SIN card (such as “Road User Charges apply”). Consideration should be given to advising consumers where they can obtain more information on RUC, and, if possible, listing on the SIN the estimated RUC amount for 1,000km for the vehicle at its unladen weight (GVM).

Information about imported used vehicles

Year first registered overseas and country where last registered

Because the history of a vehicle can be hard to trace, the SIN card should only record the country of origin and the country in which it was last registered.

Other information

Features and additional information facility

While in their present form SIN cards are excessively detailed, we believe it would be useful if suppliers were able to provide more, optional, information to consumers. It could be indicated in the card that this is information voluntarily provided by the dealer. Other legislation such as the Fair Trading Act contain more than adequate provisions to ensure any extra information supplied is not inaccurate or misleading.

We would also like the SIN card to include the number of previous owners, and to list any modifications to the vehicle, along with space for including optional extras as appropriate.

Vehicle fuel efficiency

We believe it would be helpful to provide fuel efficiency data at the point of sale, and that there is an increasing desire from consumers for such information, along with vehicle safety ratings and the like (which consideration should also be given to optionally including). However, there is a risk that consumers may be misled in believing they can obtain the exact economy stated, which could create grounds for dissatisfaction and disputes between dealers and their customers. It may be better that such information is supplied as an economy *range*, with an appropriate proviso that this is not binding, and that consumers be referred to the *fuelsaver* website for more information.

The Form in which the information is provided

Supplier sale and vehicle details

We favour a mixed format approach for the SIN card which requires certain standard information to be supplied in the same order, but allows the format or layout to be varied by the supplier. To ensure consistency and accurate comparisons the field names should remain the same.

Consumer advice

We concur that there may be too much consumer advice which can create confusion, but on the other hand, the more information provided, the better the consumer is informed. We agree, however, that there are too many agencies administering and enforcing motor vehicle legislation, and it would be preferable that consumers need only contact one agency to obtain information on their rights regarding any dispute over the purchase or sale of a motor vehicle.

We would support the option of a website, perhaps administered by the Ministry of Consumer Affairs, detailing all of the information currently provided on the SIN card, along with more comprehensive advice if required, and links to the other relevant websites currently listed on the back of the card. This would also remove the obligation for internet sellers to display this portion of the SIN card online.

Thus the amount of generic advice on the SIN card could be reduced, although a generic form or flyer, as suggested, would need to be available for buyers who request it, or who don't have access to the internet. However, other information should remain on the card, such as the requirement for vehicles to be sold with a WoF or CoF, and buyer's responsibilities.

Notice title

We agree that 'SIN' card is an inappropriate title and would suggest *Sales Card* or *Sales Information Card* instead.

Conclusion

The NZAA recognises that, three years on from the introduction of the SIN card, it is appropriate to revise the card in line with feedback from consumer and industry groups during that time. We support initiatives to make the SIN card as useful as possible to consumers, whilst not making it any more onerous on suppliers, and our comments reflect those goals, such as providing additional information (fuel efficiency), but deleting other superfluous details (VIN, WoF, actual distance travelled).

Yours sincerely

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New Zealand Automobile Association