

**AA Submission: Consumer Information Standards
Regulations (14 May 2007)**

14 May 2007

James Ryan
Ministry of Consumer Affairs
PO Box 1473
WELLINGTON

Dear James

Recommended Changes to the Consumer Information Standards Regulations

Introduction

The New Zealand Automobile Association (NZAA) welcomes the opportunity to provide comment on the changes to the Consumer Information Standards Regulations (Supplier Information Notice – ‘SIN’ card).

As an organisation with a membership exceeding 1.2 million vehicle owners and drivers in New Zealand, close attention is given to any proposals that affect motorists as consumers.

The NZAA has previously commented on amendments to the SIN card as part of our submission in July 2006, and we are pleased that many of our suggestions have been adopted. This submission re-iterates our support for those recommendations we concur with, while providing additional comments on specific items raised in the latest 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 recommendations

Cash price

We agreed that “cash price” should include GST and on-road costs on the SIN card. However there should be provision for traders to quote a price explicitly “excluding ORC” for vehicles yet to be complied and/or registered, such as in the case of commercial vehicles which are modified or equipped to customer specifications. We also concede that sales by auction or tender need not have indicative prices on the SIN, but rather these could be provided separately if the agent wishes.

Security interest

We support requiring an unequivocal ‘Yes’ or ‘No’ statement from the supplier as to whether there is a registered security interest on the vehicle. However, we believe the SIN should allow space for suppliers to clarify the nature of that “security interest” (i.e. to distinguish between unpaid hire purchase or simply the dealer’s finance company floor plan), to encourage buyers to seek more information or clarification.

Date attributes (vehicle year, YoFR)

We agree the requirement to state “vehicle year” should be removed, and replaced with ‘Year of First Registration’ (YoFR), as this is the most reliable source of information for consumers about the age of a vehicle, and is easy to determine since it is already collected for both new and used imports. However, the NZAA would also like the option for traders to include ‘Year of

Manufacture (where different) where this differs from the YoFR, so prospective buyers are aware the vehicle may have sat (unregistered) for some time before sale. This is not uncommon, particularly for commercial vehicles (in some cases, several years), and may mean the level of safety and emissions technology, for example, is older than the YoFR implies.

Vehicle registration and vehicle licence

The NZAA agrees with proposed recommendations. It was our original view that a buyer could ascertain whether a vehicle is registered or licensed from the windscreen label, however we do agree it is important that this information is clearly presented to the consumer, and the proposed amendments to the SIN card will achieve this, and thus we support including boxes for both 'vehicle registration' and 'vehicle licence' with 'Yes/No' options etc. However, to avoid confusion between the two terms, maybe the 'vehicle licence' could be re-named 'annual licence' or something similar. In our earlier submission, we were also concerned that SIN cards would need to be updated if vehicles remained unsold and their licences expired in the meantime, however the provision to include a box for "licence expiry date" addresses this.

Road User Charges apply and outstanding RUC

While we support retaining the existing 'Yes/No' tick boxes on the SIN, the NZAA would like the box for RUC enlarged to include room for the trader to list the estimated RUC amount for 1,000km for the vehicle at its unladen weight (GVM). This will provide more helpful information to consumers, and will support initiatives to include fuel economy data on vehicles at the point of sale in future.

Japanese specification radios

While we agree clarifying if the vehicle has a radio receiver capable of receiving from 88-108 MHz (without a band expander) does provide better information for the consumer, we are unsure whether it is significant enough to warrant inclusion on the SIN. There are other vehicle attributes, such as safety rating, safety equipment, number of owners etc. which are of more value to the consumer, but are not listed on the SIN.

Supplier sale and vehicle details

While the NZAA's original submission favoured a mixed format approach for the SIN card, we agree that, on balance, an improved standard format as proposed would reduce confusion for consumers and make enforcement easier.

Signing and dating the SIN

The NZAA supports the recommendation to amend the SIN card to require both the buyer *and* trader sign it, to confirm the buyer is aware of their rights (as already required), while having the trader sign it will ensure they supply a copy to the buyer, and be proof in the event of a dispute. We also support a "tick the box" confirmation for online sales, with a copy of the SIN posted to the buyer.

Notice title

Consumer Information Notice is an acceptable new title for the SIN card.

Yours sincerely

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New Zealand Automobile Association