

Selling on consignment

Have you got a trust account?

If you intend to sell on consignment, you must have a trust account.

Have you got a signed appointment to act?

You must complete an **Appointment of a motor dealer or chattel auctioneer (Form 9)** before you provide any service. You can only sell on consignment once you have been appointed in writing.

Have you provided the potential buyer with a notification form?

You must complete a **Cooling-off period and statutory warranty form (Form 12)**, advising the potential buyer that no cooling off period applies and if any statutory warranty applies.

Have all payments been deposited into your trust account and receipts issued?

All payments must be deposited in your trust account and a trust account receipt provided to the buyer.

Have you waited until the transaction is finalised before withdrawing any money?

You must wait until the transaction is finalised before withdrawing any money. Once the transaction is finalised, you must withdraw and pay the client and any other relevant party their share of the proceeds before you can withdraw your commission.

Additional information

More information about your **responsibilities as a motor dealer** visit our website www.qld.gov.au/fairtrading

Office of Fair Trading

www.qld.gov.au/fairtrading

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Statutory warranty

There are two types of statutory warranties: 'Class A' and 'Class B'.

Class A applies when:

- the vehicle has an odometer reading of **less than 160,000km** on the day of its sale; **and**
- the vehicle has a built date of **no more than 10 years** before the day of its sale.

Class A warranties expire after three months or the first 5,000km (whichever occurs first).

Class B applies when:

- the vehicle has an odometer reading of **more than 160,000km** on the day of its sale; **or**
- the vehicle has a built date of **more than 10 years** before the day of its sale

Class B warranties expire after one month or the first 1,000km (whichever occurs first).

Restorable vehicles

Restorable vehicles are warranted vehicles that are more than 20 years old and are sale for restoration purposes. Restoration vehicles **may be** sold without a statutory warranty, but **only if** the buyer chooses to waive the statutory warranty.

Restorable vehicles sold at auctions are not covered by a statutory warranty.

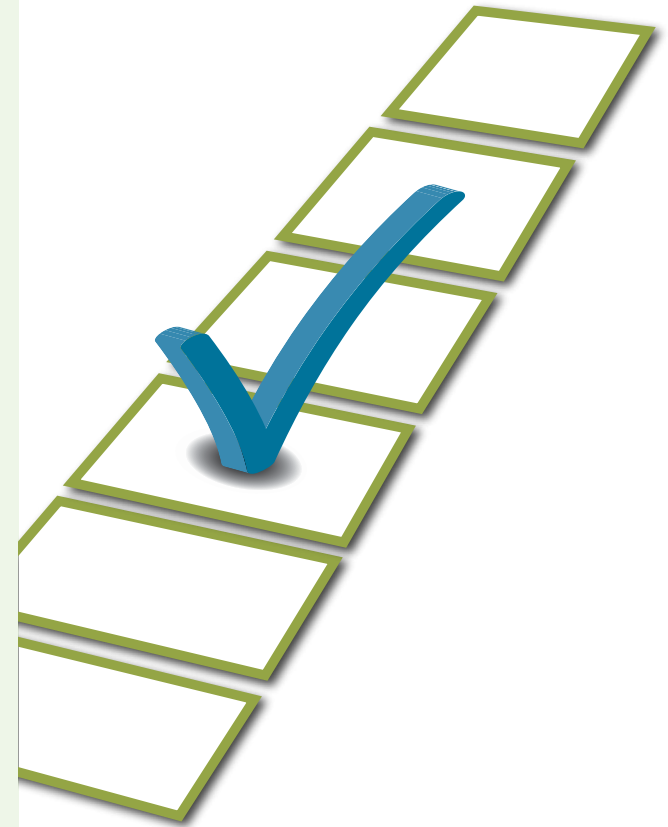
Vehicles not covered by a statutory warranty

The following vehicles **are not** covered by a statutory warranty:

- an unregistered motor vehicle that is:
 - incapable of being registered within Queensland because of its design
 - a written-off vehicle
- a motor vehicle sold on consignment, unless the owner of the vehicle is a motor dealer or auctioneer
- a caravan
- a motorcycle
- a commercial vehicle.

A commercial vehicle is a motor vehicle built mainly for carrying or hauling goods or designed to carry more than nine persons but does not include a utility with a nominal load carrying capacity of one tonne or less.

Motor dealer checklist



Office of Fair Trading
www.qld.gov.au/fairtrading



Motor dealers licensed in Queensland must comply with the *Motor Dealers and Chattel Auctioneers Act 2014*, the Motor Dealers and Chattel Auctioneers Regulation, the *Agents Financial Administrations Act 2014* and the Australian Consumer Law which are regulated by the Office of Fair Trading (OFT).

This checklist has been designed to help you comply with your obligations under these laws. The information outlined in this checklist is what an OFT inspector may ask to see during a compliance check. **Note that it does not include all of your obligations as a licensed motor dealer.** More information can be found on our website at www.qld.gov.au/fairtrading

General

Advertising and signs

Is your advertising free from misleading content or misrepresentations?

It is an offence for a business to make statements that are misleading or deceptive.

Do signs on used motor vehicles display information regarding cooling-off periods and warranties?

When you sell any used motor vehicle you must display signs to tell your customers if there is no cooling-off period and whether a statutory warranty applies to the sale.

Have you disclosed that you are a licensed motor dealer?

You must disclose to any potential buyer or seller of a vehicle that you are a licensed motor dealer.

Licences

Are you and your staff appropriately licenced?

You need to keep a copy of the licence or registration of each staff member and be able to show all licences and registrations to inspectors or clients upon request.

Have your licence details changed?

You must notify the OFT in writing with a letter or email within 14 days about any changes to your personal details or circumstances relating to your licence, including any changes to the principal or other places of business.

Transactions register

Do you have a transactions register at each place of business?

You must keep a transaction register at each place of business. All transactions must be included in the register within 24 hours of the transaction taking place. **A transaction register can be kept electronically.**

Buying

Have you obtained a signed and dated statement from the seller?

You must obtain a signed and dated statement whenever you accept a used car from a seller (except when acquiring from a financier, another motor dealer or a motor vehicle auctioneer). This statement must include the sellers name, address, licence number and details of the used vehicle including any identifying features, VIN, registration number, engine number and history.

Have you verified the odometer reading?

Check that the odometer matches the seller's statement. It is also a good idea to get a full vehicle history report which will show inconsistencies in odometer readings.

Have you ensured the vehicle has clear title?

You must guarantee to a buyer that a vehicle has clear title before it is sold.

Selling

Cooling-off periods

Cooling-off periods are not applicable on consignment, by auction or if the buyer is another motor dealer.

Have you provided the customer with a Cooling-off period and statutory warranty form (Form 12)?

It is a legal requirement that you give your customers a cooling-off period of one business day for standard sales. If there is no cooling-off period (e.g. for sales by auction or on consignment) there must be appropriate signage advising customers of this. If a customer cancels within the cooling-off period, you must refund the deposit, less any non-refundable portion up to a maximum of \$100. **It is an offence to withhold more than the maximum non-refundable portion.**

Statutory warranty

Have you identified the correct class of warranty (Class A, Class B or no statutory warranty) to the buyer?

You must select the appropriate warranty option in the Form 12. See over for more information about statutory warranties.

Consumer guarantees

Have you considered how the Australian Consumer Law's consumer guarantees will apply to this vehicle? In Australia traders automatically give guarantees for their goods and services. These cannot be waived or contracted away. For more information download the **Industry guide: Motor vehicle sales and repairs.**

Other

Have you provided the buyer with a receipt for all payments (including deposits)?

If the buyer pays you any money, you must immediately give them a receipt.

Has the vehicle been written-off?

You must tell the buyer if the vehicle is unregistered, has been written-off, is repairable or is a statutory write-off. You must obtain a signed notice if you sell a vehicle that is written-off.

Have you completed a contract for sale?

The contract for sale must be in writing and signed by all parties. You are bound by the contract as soon as it has been signed. The buyer is bound by the contract only when the cooling off period ends. A copy of the contract must be provided to all parties.

Have you provided the buyer with a dealer's statement?

You must give the buyer a signed statement advising them about the vehicles previous owner. This information can be included in the contract for sale.

Have you guaranteed the vehicle has clear title?

You must guarantee to the buyer that a vehicle has clear title. This must be included as a statement in your contract.

Have you disclosed any beneficial interest?

You must disclose if you will receive, or expect to receive, any benefits from a sale by completing a **Disclosure of beneficial interest form (Form 10).**