

Trading Standards: Car Case Studies

During the recent motor trade initiative, local authority Trading Standards services in Scotland were involved in a wide range of work, central to which was use of the comprehensive SCOTSS Legal Guide, which can be [downloaded here](#). The following are just a few case studies to illustrate this range. Note that the examples have been anonymised for legal reasons but all are real recent Scottish cases.

Case Study 1: Large Dealer

After discussions with its local authority Trading Standards Service, a large multi-outlet car dealer was an early adopter of the idea of the SCOTSS Guide and commented constructively on a draft during consultation phase (via its trade body). This business has fully embraced the Guide which is used by all its managers and is held on the company's intranet.

Case Study 2: Extended business advice including training

A local Trading Standards service had received several complaints about a local car dealer and visited them to discuss. After some initial reluctance, the dealer decided to engage closely with Trading Standards and subsequently made a number of specific enquiries for advice. As the positive relationship built, the trader asked for consumer rights training to be provided for dealership staff and this was carried out by Trading Standards.

Case Study 3: Building strong relationship between car dealers and Trading Standards

The Trading Standards service for a large Scottish local authority has made very extensive use of the new guidance in over 200 visits to local car dealers. The Guide has given the trade a more formal understanding of the rights and responsibilities involved. An unexpected result has been an even better relationship with motor traders and more of them inclined to call Trading Standards for advice before problems arise. Over the last year, the authority has received 150 complaints about used cars, involving a total value of over £1million. But the strong relationship with the trade resulted in a total of over £400,000 worth of civil redress to the consumers involved.

Case Study 4: Use of licensing processes

A city Trading Standards authority deals with a vibrant second-hand motor sales market which has in the past generated a large number of issues. The owners of and directing minds of businesses that deal in second hand motors have a range of understanding of consumer law. The level of detail in the new guidance document is fine for some but not for others who require a more directed approach. For an increasing number, the Civic Government Licensing regime has proved to be an effective sanction where a trader is not trading fairly. On more than one occasion a licence has been revoked or refused.

Regular interventions with motor dealers have dramatically reduced the number of complaints received and recent interventions have improved the situation. The statutory licensing regime has proved an extremely effective sanction.

Case Study 5: Sale of ex-hire car

In a city authority, a car dealer sold a car described as having “one owner”. This turned out to be a car hire company, but this fact was not disclosed to the consumer. The consumer was very unhappy and indicated that they would not have bought the car had they known. Trading Standards investigated this as a false description and met with the company. No formal action was taken after the trader co-operated and agreed to give £2000 compensation to the consumer.

Case Study 6: Car leasing

The Trading Standards service for a Scottish local authority had received several complaints about a car leasing company. Problems included the lack of appropriate credit authorisations, misleading information about the ownership of vehicles and unfair contract enforcement. After initial reluctance to co-operate the trader eventually signed a formal Undertaking under the Enterprise Act 2002, breach of which could lead to court action. Agreement with traders under the Enterprise Act can be a very effective way for Trading Standards to change the practices of a business for the better.

Case Study 7: Complex civil case over motorhome

A rural Scottish authority received a complaint from a consumer about the purchase of a very expensive motor home. The problems were complicated and application of the law to the situation tricky. However, the trader engaged with the process and, through detailed use of the SCOTSS guide, officers were able to come to a conclusion that the trader accepted. The consumer received a substantial 5-figure refund.

Case Study 8: Role of Financial Ombudsman Service

A rural local authority received a complaint about a faulty car. The 30-day period to “reject” the car and receive a full refund had not expired and the consumer sought to claim this, while the garage wanted to carry out a repair. The dispute continued beyond 30 days but officers from Trading Standards noticed that it was a Hire Purchase agreement (HP), which was significant for two reasons: the legal liability for repair lay with the finance company and not the garage and the complaint could be referred if necessary to the Financial Ombudsman Service (FOS). On this occasion, the finance house accepted the consumer’s claim and that he had initially raised it within the 30 days and so the sale was cancelled. The authority’s Trading Standards have been able to advise a number of consumers about the role of FOS, which is an effective, free-to-use alternative dispute resolution system. Several consumers from the authority’s area have used it to good effect on cars bought on HP.

Case Study 9: Partnership working to focus on safety and fair trading

A Scottish Trading Standards authority recently conducted a 2nd Hand Vehicle Dealer project with Police Scotland and the Vehicle Inspectorate. During the project seven prohibitions were issued for unsafe vehicles displayed in forecourts, and several unfair trading claims were removed from all vehicles in a local dealership and also from one National Trader in conjunction with the Primary Authority. Advice was given to most other traders relating to general vehicle roadworthiness and compliance with Second Hand Motor Dealer Licence conditions.

Case Study 10: Empowering consumers to use their rights

Trading Standards received a complaint from a local consumer who had purchased a nearly-new high performance car. A couple of weeks after purchase the consumer noticed one of the rear tail lights had condensation in it after it rained. Consumer contacted the garage to let them know and took the car back to be examined but was told this was normal but consumer wasn't happy with this and explained that it only happened when it rains. Trading Standards used the SCOTSS Guidance for Second Hand Car Dealers to advise the consumer on their rights under the Consumer Rights Act 2015 and quoted the Guidance verbatim and also used the Flowchart from the Guidance. The consumer went back to the trader with this information and the trader agreed to fit a new light to the consumer's car.

Case Study 11: Camper Van Prosecution

In a semi-rural local authority area, Trading Standards attempted to work with a local seller of camper vans to ensure compliance. The trader did not co-operate and was found to have sold a dangerous camper van to an unsuspecting consumer buyer. Trading Standards investigated and reported the matter to the Procurator Fiscal. A successful prosecution followed and the trader was convicted in the Sheriff Court.

Case Study 12: Obligations of Consumer

In a central Scotland local authority area, Trading Standards dealt with a consumer complaint about a faulty car. The faults were significant and not simply "wear and tear" for a car of that age. Discussions between the dealer and Trading Standards continued for a few weeks, with extensive use of the SCOTSS Guide to inform the situation. The dealer came to accept that the car was unsatisfactory and offered a refund. However, when he arranged to uplift the car, he found that it had been significantly damaged. The buyer had allowed a relative to repeatedly drive the car and had done so erratically and caused damage. The car was in a much worse state than before. The trader could not be held liable for this extra damage and the buyer has an obligation to take reasonable care of the vehicle. The dealer withdrew his offer of a refund and the dispute continues.