

Six motor vehicle traders banned

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The number of unregistered and prosecuted 'cowboy' traders is increasing, largely due to the growing online motor vehicle market. Over 12 months six traders have been banned from motor vehicle trading due to serious breaches which include failing to comply with orders from the Motor Vehicle Disputes Tribunal.

Stephen O'Brien, Registrar of Motor Vehicle Traders and manager of Trading Standards at the Ministry of Business, Innovation and Employment says there are a significant amount of unregistered traders selling large numbers of motor vehicles. The banned persons must not participate in the business of motor vehicle trading for a period of 5 years.

"The number of unregistered traders is increasing as the online sale of cars has become more common in New Zealand since the rise in trading websites."

Over a 12 month period MBIE's Trading Standards team obtained 18 convictions for unregistered trading. In the last month alone seven unregistered motor vehicle traders have been prosecuted and fined after investigations undertaken by the MBIE's Trading Standards team for trading motor vehicles without being registered.

"The purchase of a motor vehicle is likely to be one of the largest purchases a consumer will make and it is vital that consumers have confidence in the industry," says Mr O'Brien.

"Unregistered motor vehicle traders are not subject to the checks that apply to those who are registered and consumers may have less protection when something goes wrong."

To protect consumers when they are purchasing a car, registered motor vehicle traders have a number of responsibilities under the Motor Vehicle Sales Act 2003.

The Act states traders must display a Consumer Information Notice, keep a record of the contract for sale, and prohibit tampering with the odometers of a motor vehicle.

"Our primary objective is to obtain voluntary compliance from traders with the Act," says Mr O'Brien. "In the cases where the trader does not engage with the Registrar, or refuses to comply, we will investigate and take the necessary action."

Consumers can check if a trader is registered online through Trading Standards' [Motor Trader website](#).