



FTC Comments on Ministry Paper #73 – Revised Motor Vehicle Import Policy

Submitted to the Ministry of Industry, Investment & Commerce

David Miller, Executive Director

August 23, 2010

The only comments of the Fair Trading Commission (FTC) centers on *Section 9.2 – Warranty*, specifically the essential parts which are covered under the warranty.

Over the years the FTC have received complaints from consumers regarding the refusal of some dealers to repair parts which are said to be attached to, or are integrally related to, the parts listed in the schedule. Whenever expert opinion is sought on the matter, it is still unclear as to whether these parts are covered under the stipulated three (3) month warranty. By way of example, a consumer whose motor vehicle had a valid three (3) month warranty complained to us that his dealer charged him \$13,505.60 to replace a defective water pump. He was of the opinion that he should not have been charged for the replacement since the warranty covered the engine of which he believed the water pump was a part.

In discussions with the Respondent, it stated that it was of the view that the stipulated warranty does not include connected parts. The Staff subsequently made contact with a certified mechanic who believed that the water pump is an engine component and would therefore fall under the Ministry's warranty. This in effect, resulted in a dispute which may only be resolved in Court, the cost of which far exceeds the value of the pump.

Ideally, the Staff believes that in addition to the schedule which lists the essential parts (engine, transmission, differential, etc) the section should also indicate the connected parts or attachments, if any, that are covered under the warranty.