



Buying a Second Hand Car While Studying in Queensland?

Buying from a second hand car yard (from a licensed dealer, not from a private person)

Be careful when shopping around for cars. **You may think you are just putting a deposit on a car, but you could be entering into a contract to buy the car.** If you are in doubt, get free legal advice from the phone numbers at the end of this information sheet. This information sheet only details the law in Queensland about second hand cars.

Inspections and Contracts

Do not just rely on the "Safety Certificate" as this only covers minimum safety requirements for cars and there may be other problems. You should pay for an inspection from your own mechanic. You should try and write on the contract the words:

"Subject to the buyer obtaining and being satisfied by an independent inspection of the vehicle."

Avoid arranging a loan through the dealer, as there may be hidden terms. If you need finance to buy the car, it is in your best interests to arrange it through your own bank or financier of your choice.

Finance clause to include in contract

Make sure you write the words:

"Subject to the buyer obtaining finance from an institution of the buyer's choice and on terms satisfactory to the buyer."

Other wording may not protect your interests or allow you to get out of the contract.

Pay for the inspection report yourself. If the dealer arranges and pays for the inspection, the report will be their property and they are not obliged to give you a copy or they may only give you a portion of the report.

What Paper Work Must the Dealer Give Me?

- A "REVS" certificate that shows that no one else has loaned money on the car (if they have, you might find you bought a car that someone else owns);
- A "PAMDA 37/38 Form". This is a form that the government makes the dealer give you to inform you about your "cooling off rights" of 24 hours (see below). **You are to get this before you sign the contract.** If you don't, you are then given 7 days instead of 1 day to get out of the contract – but you must give written notice to the dealer. Get legal advice.
- A safety certificate (to show that the car is safe and road worthy).
- A contract and the registration transfer papers to sign (so that the car can be registered in your name).

Cooling Off – Can I Take the Car Back?

- The "cooling off period" is the time when a contract can be ended without large penalties to you. You get the right to take the car back **to the dealer** within 24 hours of both you and the dealer signing the contract, as long as you have not taken the car away from the car yard (its alright to take it away for a test drive or mechanical inspection though). This is called a "cooling off" period.
- To take advantage of the cooling off period you **MUST** notify the dealer in writing within the 24 hour cooling off period that you do not wish to proceed with the purchase.
- The dealer is only allowed to keep \$100 of your deposit money if you "cool off".

Statutory Warranties – Do They Have to Fix It?

- You get a "statutory warranty" with the purchase of the car. This means that the car yard has to fix up certain things with the car if they go wrong within the warranty period regardless of what the contract says. Note that you can buy extra "warranties" as well as your "statutory warranty".
- Depending on the age and kilometres the car has done, you will get either a:
 - **1month or 1000km (which ever comes sooner)** statutory warranty – for cars that are older than 10yrs (old cars) and for cars that are younger than 10 years, but have been driven for more than 160,000kms (high mileage cars); **OR**
 - 3month / 5000km warranty (**whichever comes sooner**) statutory warranty for cars that are under 10 years AND have been driven for less than 160,000km's.
- If something goes wrong with the car and you want the dealer to fix it, remember to:
 1. **TELL THE DEALER IN WRITING.** You must write a letter to the Dealer pointing out what you want them to fix. This letter should be called a "statutory defect notice". Make sure you put the date of

delivery of the car in the letter and the number of kilometres the car has done. Take someone with you when you deliver the letter to the Dealer. Keep a copy of the letter and make a record of how you delivered it (by hand delivery or by registered post).

2. **TRY TO TAKE THE CAR BACK TO THE DEALER** to get them to fix the items listed in the statutory warranty defect notice. Its ok if they won't take it, but you must at least try and give the car to the dealer so that they can fix it. You are required to do this under the legislation to give the dealer an opportunity to fix the defects.

It is very important to do these two things. If you don't, the dealer will be able to ignore you and not repair the defects. The Dealer has **5 business days** to advise you in writing whether or not they are going to fix the defects. (There are a limited number of items that are not covered by the statutory warranty.)

If the dealer does fix the car, it is in your best interests to get an independent mechanic to check that it has been fixed.

If the defects haven't been fixed or properly fixed, you will be within your rights to take action against the dealer without further notice, through the Small Claims Tribunal to try to recover the repair costs. You may also get further legal advice about how to go to a court or tribunal.

Making Complaints

- Dealers have "codes of conduct" set out by law. If you want to complain about a dealer, you should contact the Department of Fair Trading (the government body who gives the dealer their licence to sell second hand cars) about how to do this. See the end of this information sheet for their telephone number.

Buying a Second Hand Car from a Private Person

You have to do a lot more checking yourself when you buy from a private person because there is no "warranty" provided at the sale of the car. So if something goes wrong, normally you won't be able to do anything about it and may get stuck with a worthless car. If you do buy from a private person you should do the following things:

- **Make sure that there is a "safety certificate"**. These only last for 2 months or 2000 kms (which ever comes sooner) on a private sale. If the safety certificate isn't current, make the seller get another one (preferably from a mechanic of your choice). No one is allowed to advertise or sell a car without a current safety certificate. Don't buy from anyone who doesn't have a current safety certificate for the car.
- **Only put a small deposit down** (eg \$50 - \$100). Be prepared to lose this money if things don't go right. Get a receipt for your deposit and any payment that you end up making.
- **Get the car independently inspected** by a mechanic **BEFORE** you pay the rest of the purchase price. Make sure it's a mechanic that the seller doesn't know. If there are lots of mechanical problems ask the mechanic how much it would cost to fix.
- **Do a Vcheck [Vehicle Information Check]** to find out if there is outstanding finance owing on the vehicle [REVS], whether it has been reported as stolen or whether it has been severely damaged and is classified as a written-off vehicle. We recommend you carry out at least the **Vcheck plus** option to obtain this important information.
Vcheck reports can be obtained online at www.vcheck.qld.gov.au Costs range from \$12.70 to \$28.35 depending on the depth of information required.
Vcheck reports are also available from used motor vehicle dealers or information service providers acting as agents for Queensland Transport. Prices may vary slightly through these providers.
Note: Fees are current as at January 2006.
For your own protection a **Vcheck** report should be bought on the day you buy the vehicle as information contained in the report is only current at the specific date and time the report is issued.
- **Get the details of the vehicle** when you finally decide to buy. Make sure you put those details, (including Vehicle Identification Number (VIN), Registration Number, date of manufacture and model of car) in writing that the other person signs. Check the VIN and engine numbers of the car. Make sure the person signs the "registration transfer papers" and gives them to you so that you can register the car in your own name.

Further Advice....

Department of Fair Trading Ph: 1300 658 030 - for advice about second hand car dealers.

Queensland Transport Ph: (07) 3253 4851 – if the safety certificate was wrong.

RACQ Legal Advisory Service Ph: (07) 3361 2802 – for legal advice for new and used cars.

Community Legal Centres (for a list see <http://www.naclc.org.au/centres.html>) - for legal advice.