

OLSEN ON YOUR SIDE



CTV Evening News

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In a five part special investigative series, CTV's Chris Olsen investigates how CarProof is different than Carfax in Canada. The series also features a specific case in Victoria, BC where CarProof saved a consumer from buying a badly damaged vehicle that was advertised as having "no accidents" by the selling dealer and Carfax. The series reveals that this dealer actually tried to sell the same vehicle to 3 different consumers without disclosing the previous accident history.



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Carproof (Part 1)

Monday, January 15, 2007

It sounded like a great deal -- a used van, good condition, and no accidents. But what should have been a straightforward transaction, became a nasty surprise for one BC woman. Janice Rennie was looking for a new van and found one that was a great deal. It was imported from California. The paperwork from the dealer showing the car had not been in any serious accidents. But when she tracked down the former owner she was told it had been in a serious accident.

"I was terrified. I didn't know what to do. I had the report from CARFAX that the vehicle hadn't been in any collisions," says Janice. "I had the dealer telling me this. I had all of his background information he's given me."

So she ran a CarProof report and it showed the van had suffered frame damage.

Joe Luther with CarProof says even though this report showed frame damage -- it's common for US accidents to be missed because only about a quarter of them get reported because the insurance system is different than it is in Canada. Luther says you need independent inspection too -- especially if the car came from the States.

"If it's been from the United States I guess you should precede with more caution," he warns.

If the vehicle has been in an accident in Canada, it usually shows up on CarProof.

"It seems as though at least nine times out of ten we are catching the accident claims in Canada," assures Luther.

Janice took the van back and received a full refund even though the dealer still insisted the van was accident free. "He was only going to be refunding my money because clearly I appeared to be unhappy," says Janice. "And he told me he wasn't refunding the money because it had been in a collision, because it hadn't."

An independent inspection confirmed the vehicle had been in a major accident.

Janice's advice to consumers: run a CarProof report before you buy.

"For \$59.95 it may sound like a lot of money. That's what my report cost. In my mind I possibly got back forty one thousand dollars of my money for having that report."

CarProof is not CARFAX. They are two different services. CarProof costs more, but shows you more. And regardless of

what you use get the vehicle independently inspected don't rely on what you've been told, sometimes the seller or dealer doesn't know the history of the vehicle.

Van Follow (Part 2)

Tuesday, January 16, 2007

"Brought it home, drove it a couple of weeks and started noticing things weren't not quite right," says Corrine Symes. The Vancouver Island woman is talking about a one year-old Honda Odyssey van. It was originally from California but Corrine bought it from a Victoria car lot.

She says that looking under the hood, there were some warning signs. "Some spot welding and things that were signs of an accident," she remembers. She called the dealer who said he'd done a CARFAX report and it was accident free.

But Corrine's own Honda dealer disagreed. "When we went to pick up the van they gave us the paperwork back and said we should go straight to an auto-body shop because there were bolts and clips missing and all kinds of things wrong with the van," she tells CTV.

Auto-body man Mike Koster looked at the van:

"The vehicle had been in a heavy collision," he confirms.

Koster says the repairs were easy to spot. Using another vehicle, he showed us factory welds, which are nice and neat compared with welds done during a repair, which are larger and less uniform.

"It's not difficult at all," he explains. "As soon as we put it up on the hoist and got underneath and had a look we could tell...both frame rails were replaced, rad support, inner aprons, along with a lot of other parts," he remembers.

Koster estimates the damage was more than fifteen thousand dollars. "I mean there were some flaws in the paint and so on but overall it looked good, the repair the looked good but it has been repaired that's the long and the short of it," he notes.

Under BC law whether the repair was good or not is immaterial. Any damage over two thousand dollars must be declared by the dealer. "Just the rad support alone if you had to replace it you are over the two thousand, one frame rail is over the two thousand," explain Koster.

The dealer agreed to take the van back. But he wanted to charge Corrine for using it for a month. "There was no way I was going to pay him another thousand dollars," she says firmly.

Corrine later bought a brand new Honda van from a different dealer and says she's learned a valuable lesson. "I really think if we had taken it and gotten it checked before we paid for it we would not have had to have gone through that situation," she says.

That's good advice for everyone. And write on your contract that you get all your deposit back if you are not satisfied with the independent inspections --that's key .

SRG Auto (Part 3)

Wednesday, January 17, 2007

This past fall, Corrine Symes purchased a used Honda Odyssey van from a Victoria auto dealer.

"He advertises all his vehicles are accident free and winter free," she remembers.

She later discovered had been in a major accident. She got a full refund. But then the van was sold to a second woman, Janice Rennie -- again

she wasn't told it had been in an accident. She got a refund too. We decided to pay the dealer a visit. It's SRG Auto in Victoria.

'Oh a Honda van, oh jeez, " says the dealer, Scott Gillies when asked about the van. He says the vehicle has never been in an accident.

"I can tell you right now, if I was a big outfit I would sue you for slander," says Gillies.

An independent auto body shop estimated damage to the van had run about fifteen thousand dollars and a CarProof report that said it had suffered frame damage. Scott Gillies maintains both are wrong.

"If it has an accident over two you have to declare that," he says. "I'm saying sure, awesome, can you show me where's the accident over two? The vehicle was checked out beyond what any dealer does."

He blames the buyers of the used van for his problems

"I have one woman that for some reason that hates us," says Gillies. "I can't help that I gave them their money back."

And what about the other sale? Gillies says he made a mistake --not about the condition of the van --he says his mistake was giving the money back. "I'm changing the format, there's no more Mister Nice Guy. There is no more give money to people when they are not happy, right? Because nobody else does it," says Gillies.

At the same time that we were researching this story --the Motor Dealer Council was investigating a complaint from Janice Rennie. Rennie had bought and returned the van to SRG auto when she discovered it had been in an accident.

"It appeared this dealer did not disclose this information so this dealer was fined," says Judy McRae of BC's Motor Dealer Council.

Under BC law damage over two thousand dollars must be disclosed to buyers.

SRG Auto was issued a ticket for four hundred and sixty dollars.

"Well, the dealer's record was researched and prior to this incident the dealer did not have any prior offenses," says McRae. "It was a first offence and so he was given a violation ticket."

And what about SRG Auto's contention the vehicle had never been in an accident?

"That's the motor dealer's opinion. We did have an investigation. The investigation did show that damage was over two thousand dollars and this dealer has been fined," says McRae.

SRG owner Scott Gillies doesn't think the ticket was fair because he still believes the van was accident free.

"Why would you issue a ticket when there's no grounds for a ticket it's retarded."

If you want to check to see what car dealers have been fined by the motor dealer council.

Go to www.mdcbc.com and under dealer information look for compliance activities.

Calgary Van (Part 4)

Thursday, January 18, 2007

Shane Goodwin is the latest owner of this Honda Odyssey van imported from California.

"I was told it had been inspected there were no accidents," says Shane.

If the "no accidents" claim sounds familiar it should -- that's what SRG Auto owner Scott Gillies told the other previous two buyers Corinne Symes and Janice Rennie. They both returned the van. It was then sold to Shane Goodwin in Calgary.

"I was told it was in mint condition like brand new," Shane remembers.

We had experts look at the van and our camera crew documented the inspection. "Both side aprons replaced on this van which we can tell by the non factory welds," notes Jamie Lywood of Precision Auto Body in Calgary after he put the van

on the hoist.

"There is a lack of corrosion protection, and the rust has already started on two or three of the welds," he notes as he looks underneath the van. "It's missing many clips that hold plastic parts in place," he continues.

And when he moved back more evidence the floor pan has taken an impact.

"It's creased the whole bottom of this van in this area here that was probably not repaired when the front end was hit," he points out.

And the conclusion of the auto body expert? "It was a hard hit a very hard hit for them to replace the parts they did," says Lywood.

So what kind of money are we talking about? What kind of dollar damage?

"I would guess between ten to fifteen thousand dollars damage," Lywood concludes.

"You sort of feel sick to your stomach really, responds Shane.

Shane Goodwin has a young family and he says he would not have purchased the van had he known about the accident.

"He's lied to me," he says. "I've been sold this vehicle under false pretenses and I want my money back," he says.

SRG Auto has already been fined four hundred and sixty dollars by the Motor Dealer Council regarding the previous two sales. It's fighting that fine in court. I went back to SRG for some answers about sale number three.

"Ask your questions, I have nothing to hide here," says Gillies.

First, I showed SRG owner Scott Gillies the Calgary auto body report.

"That to me is the biggest farce I've ever seen," says Gillies. "Whoever did that, that's misrepresentation right there, that's brutal," he says.

"Are you one hundred percent sure the vehicle has never been in an accident over two thousand dollars?" Presses Chris Olsen.

"How would I know that? Are you?" responds Gillies.

But Gillies says he didn't personally inspect the vehicle he sold three times.

"I don't personally inspect the vehicles. So if you are asking me if I have personally inspected the vehicle, no I have not. That's it," he concedes.

What about all the other people who say the van was in a serious accident over two thousand dollars?

"So all of these are wrong?" Asks Olsen.

"No I'm not saying they're wrong," explains Gillies. "I'm saying how the heck do you put a number on it, on body work, you can't."

He took me over to a nearby auto paint shop he says did an inspection on the vehicle. Doug Davies runs that shop. He found evidence of repainting that he estimated was about one thousand dollars damage. "I couldn't tell if it had been hit by a train or a key scratch," Davies explains.

But what about what other shops have found underneath?

"I didn't crawl under the van and put it on the hoist and get that detailed," says Davies.

I paid another visit to the Motor Dealer Council to see if it was going to re-open the investigation into SRG Auto.

"We appreciate the information brought forward by CTV Olsen On Your Side. This information will be included in this dealers file. This is an active investigation," says Judy McRae of the Motor Dealer Council.

We'll continue to follow the story in the weeks ahead.

Holes in the System (Part 5)

Friday, January 19, 2007

This week we've been looking into a van imported from the u-s that was sold without disclosing it had been in a major accident. In some cases the government inspection system could give consumers a false sense of security.

This van was imported from California, before it ended up on a Victoria car lot it had to pass two government inspections. I looked over pages and pages of regulations. There is no specific regulation requiring a shop to report evidence of previous accidents unless the vehicle is still damaged or unsafe.

"The inspection we require is the minimum standard," says Mike Woods, the manager of Vehicle Safety Standards for the BC Ministry of Transportation.

"We are looking at a vehicle strictly from a safety aspect," Woods explains. "We are not looking at the condition of the body, the paint, possibly there could be mechanical issues say with the transmission. That is not something that is checked with a safety inspection."

Earlier this week we told you about this van that was imported from the u-s.

It had been in a serious accident. At least four auto body shops estimated the damage to the van at between ten and fifteen thousand dollars.

"The vehicle had been in a heavy collision," says Mike Koster, a Victoria area auto body specialist.

These non-factory welds are evidence that both frame rails were replaced. But the BC inspection gave the frame a pass. It wasn't even noted on the report because it doesn't have to be.

"It may not be a safety issue, but it certainly may not reflect value of what they are asking for the vehicle so it's not as you would say is a clean vehicle," explains Woods.

In the case of this van, the dealer is now under investigation by the motor dealer council for not disclosing any accident when he sold the van three times. He says he was relying on the government report and never personally inspected the van for accidents.

"Everything gets inspected and done the way according to all the rules and regs (sic) the way it's supposed to be. We don't misrepresent but we go by the government inspections," says Scott Gillies the owner of SRG Auto.

"It could be misleading if the person selling vehicle was to make the statement that this is the inspection that inspects for everything. It would be misleading," warns Woods.

"I rely on the government sources to tell me how the car is. If the car is some piece of crap, then hey, by all means something got missed. We are not trying to mislead people. We're way too small, man," explains Gillies.

Under the provincial inspection the vehicle is also road tested. But again that's just to ensure it meets minimum safety standards.

"We abide by all the rules. Should the system be changed? Should they do body inspections and all that. Sure. Why not. But that's not something that we do," says Gillies.

So, if he were buying a used car, would the man responsible for BC vehicle inspection standards rely on the BC safety inspection report alone?

"Even myself, I would hire someone to look at the vehicle."

So if you are buying a vehicle from out of the province or out of the country -- you need to get it inspected for accidents -- the inspection report you get is not enough.

About Chris Olsen

Chris Olsen, with 20 years of journalistic experience behind him, looks at issues that are important to you. Every weeknight during the 6:00 pm news Olsen investigates consumer issues that matter most to viewers: everything from new (and old) products, product safety, recalls and testing to consumer scams and which orange juice consumers prefer! Anything that is important to you is important to us, and Olsen strives to bring the most up-to-date, accurate information to you each day and helps viewers to protect themselves, their families, and their wallets.

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