

Combating Auto Retail Scams



The FTC's CARS Rule protects consumers and benefits honest dealers.

Here's how:

1

Prohibits misrepresentations about material information.

The CARS Rule makes it illegal for a dealer to make misrepresentations about certain topics that would affect a consumer's buying or leasing choices. Deceptive claims about price, financing, or add-ons are a few examples.

2

Requires dealers to clearly disclose the offering price – the actual price anyone can pay to get the car, excluding only required government charges.

Before they visit the dealership and throughout the transaction, consumers have the right to know the drive-off-the-lot price. If a dealer mentions optional add-ons, the dealer has to tell the consumers they can say no. And if discussing a monthly payment, the dealer has to tell the consumer the total payment.

3

Makes it illegal for dealers to charge consumers for add-ons that don't provide a benefit.

Under the CARS Rule, if the consumer won't benefit from an add-on product or service, the dealer can't charge for it.

4

Requires dealers to get consumers' express, informed consent before charging them for anything.

That means no surprise fees or hidden charges. Dealers must get a buyer's clear and informed "yes" to what they're buying and how much they're being charged.