

## **Carsguide Safety Centre**

### **Scams and Fraud**

On the whole, buying and selling a car online is an easy and safe process. But you should always beware of scammers who try to use the anonymous environment of the internet to rip people off.

Buyers, sellers – and even leasers or renters – have lost thousands of dollars to scammers on real estate, rental, fake banking and car websites. In nearly all cases, these scams can be avoided if the buyers and sellers are more cautious.

#### **Case study: car seller target**

One example of a common scam targeted at vehicle sellers is a buyer who offers to purchase (without inspecting) the vehicle and will send a cheque in excess of the asking price. The buyer will then request a refund for the difference in price between the payment made and the asking price.

The seller is scammed after they have sent the refund to the buyer and the original payment turns out to be false.

#### **Case study: car buyers target**

A vehicle will be offered far below the ordinary selling price. When contacted, the seller will advise that either the seller or the vehicle is located overseas and will ask for an up-front deposit without allowing the buyer to view the car and its condition or research its history.

#### **Current known scams**

We are currently aware of a current scam whereby the seller of a vehicle claims to be overseas due to either a recent divorce or for work commitments. The seller asks for payment to be done via a Western Union transfer. The seller also advises that they will arrange delivery of the vehicle by EBay Cars. This is a known scam.

**Please note:** be cautious in dealing with car sellers that are overseas and always arrange to:

- ▣ View the vehicle prior to the transfer of any money.
- ▣ If the offer looks too good to be true, it probably is.
- ▣ Verify that the person on the other end is genuine. Check all the contact details.
- ▣ If the number in the ad is disconnected, be wary. If the buyer/seller says it is disconnected because they are overseas, ask for a landline phone number at their current location, as well as a mobile phone number.
- ▣ If they give you a street address, check on Google Street View what is actually at that address.



## Further advice from the ACCC

The Australian Competition and Consumer Commission's website offers the following tips to avoid being stung:

- ▣ Use your common sense: the offer may be a scam.
- ▣ ALWAYS get independent advice if an offer involves significant money, time or commitment.
- ▣ Do not agree to offers or deals straight away: tell the person that you are not interested or that you want to get some independent advice before making a decision.
- ▣ You can contact your local office of fair trading, ASIC or the ACCC for assistance.
- ▣ NEVER send money, or give credit card or online account details to anyone you do not know and trust.
- ▣ In addition, here are some specific things to look out for when buying or selling a car online:
  1. Know the market value of the car. Use Carsguide.com.au's car values tool to check if a car is being offered for sale at market value.
  2. Do as many checks as you can to ensure the offer is legitimate, in particular view the car in person and check registration papers and service logs.
  3. Read all the terms and conditions of any offer very carefully: claims of free or very cheap offers often have hidden costs.
  4. Speak to the seller by telephone rather than just email and if the phone number is provided is not contented treat this with suspicion.
  5. Don't make any payments until you are satisfied that the offer is genuine.
  6. When accepting an offer, insist on the buyer paying the correct amount.
  7. For more information on vehicle fraud visit:  
[www.accc.gov.au](http://www.accc.gov.au)  
[www.scamwatch.gov.au](http://www.scamwatch.gov.au)

**Please Note:** Carsguide.com.au does not accept money transfers or handle deposits on behalf of private buyers or sellers.

## Safe Buying



### Set your budget

Work out how much you can afford to spend, and don't forget to include registration, insurance and regular maintenance and running costs. Both for insurance, and if you're going to get a loan, shop around to get the best rate.

### Do your research

It's important to have a thorough look at what's out there before buying a used car. To get an idea of a model's current market price,

spend some time searching our used car ads online or in your local newspaper. Also check out our price guide to help you avoid paying too much.

Be wary if you find a used car where the price is much lower than the market suggests it should be. If you're determined to take it further, have the car checked thoroughly. If something seems too good to be true, it probably is.

### **Find the right car**

Browse cars by body type, make or price to find out which make and model might suit you. Go window shopping by make and model, age, location... and all kinds of other helpful details. Read our expert reviews of the car you're looking for.

Check the latest car news to see if a new model is coming -- which can reduce the price of previous models when it arrives.

### **Contact the seller**

And when you do, don't be afraid to ask lots of questions...

- ▣ how long have they had the car.
- ▣ why are they selling it.
- ▣ has it ever been damaged.
- ▣ what condition is it in.
- ▣ will it meet a RWC.
- ▣ does it have any 'bad habits'?

### **Looking at the car**

If the seller is a private party rather than a dealer, always go to their home address. Don't arrange to meet them somewhere. Check that the home address is the same as the one on the registration certificate. Take a printout or copy of the seller's advertisement with you to check that details like the odometer numbers are accurate.

### **Checking the car**

Make sure you have a thorough look over the car yourself, and best of all, have an independent mechanic or automotive centre check it out properly on a hoist. It could save you thousands by revealing mechanical problems and previous damage.

- ▣ always look at the car in full daylight, never in the dark or in rain that could conceal body marks, dents, rust and other defects
- ▣ check under the car, the bonnet and the interior carpet for rust and signs -- such as welding marks -- which may show the car has been in a crash
- ▣ under the bonnet, look for signs of oil leaks on top of the engine, and underneath. Use the dipstick to check the amount of oil. If the level is low, the owner hasn't been looking after the car properly.
- ▣ look around the oil filler cap for a white mayonnaise-like substance - this is an indication of a damaged head gasket which can be very expensive to put right.
- ▣ take a look at the tyres to make sure they're in good condition with plenty of tread.
- ▣ get down in front of each front wheel and look along the length of the car. Both front wheels should be directly in front of the rear ones -- if they're not, it could mean the car has been in a crash and ended up with a slightly twisted or 'crabbed' chassis.
- ▣ check the gaps between the body panels are equal -- if they're not, the car could have been refitted badly, or may have been in a crash.

- ▢ inside the car, make sure the seatbelts work correctly, the steering wheel and dashboard are bolted on correctly, the front seats move properly and all switches work.
- ▢ start the car with a cold engine, which will make it easier to reveal problems like poor starting or too much smoke.

## Test drive the car

- ▢ before you set off, turn the steering wheel from one lock to the other to make sure there is no screeching, banging, or knocking.
- ▢ to test the handbrake, pull it on and then try to drive off very gently. It should hold the car back.
- ▢ listen for strange noises from the engine, and don't let the seller distract you by talking or turning up the radio
- ▢ drive on as many different roads surfaces as possible
- ▢ use all the gears, and check the gear change is slick and smooth.
- ▢ make sure the clutch pedal 'bites' between the top and middle of the pedal's travel

## Negotiating the price

The price is the price, but there's often leeway for bargaining.

- ▢ make a list of any faults you found with the car, or any work that might need doing, and calculate how much this could add to the price.
- ▢ From this position, negotiate the price with the seller.
- ▢ Ask the seller what their best price is, make a lower offer and then say nothing. They can only either turn you down, accept your offer or name another price closer to yours.

## Paperwork and payment

- ▢ Make sure all the paperwork is in order, and that you have original versions (never photocopies) everything ... registration papers, service history and logbook.
- ▢ If you're making a payment or even just a deposit, get a receipt and make sure the seller's full details are on it

**Never give or send a seller money without seeing the car, or without getting a receipt with all the details.**



**Scammers may ask you to send money by Western Union or other moneygrams, or even through an address pretending to be Carsguide. Do not send them the money, and contact Carsguide immediately to report any seller you feel is a fraud. Carsguide does not act as an agent in handling buyer and sellers money, so any request to do this should be treated suspiciously.**

**Call our Customer Service 1800 026 705 (Mon-Fri 8.30am-5.30pm) if you have doubts or are suspicious about any communication from a seller or another buyer.**

## Safe Selling

### Advertising

If you decide to sell your car yourself, the best ways of doing it are with a newspaper ad and on the internet. But no matter what method you choose, you'll get more attention if your advertisement is clear, concise and correct. [Carsguide.com.au](http://Carsguide.com.au) offers exceptional exposure, click through to find out more.

### Writing the ad

- ▢ Be precise in your description of your car, detailing the make and model, year of manufacture, engine and transmission details, major options and its general condition. Include odometer reading, and highlight if it is low for the age.
- ▢ Avoid abbreviations and jargon that might make it hard to understand for the reader.
- ▢ Keep the words to a minimum, 20 to 30 should be enough to get your message across.

### How much should I ask

Putting an unrealistically high price in your ad will almost certainly mean you'll waste your weekends waiting for the phone to ring, but put too low a price in it will have you rushed off your feet by tyre kickers hoping for a bargain.

- ▢ In the weeks leading up to running your ad scan the classifieds and websites and get an idea of the prices being asked for similar makes and models as yours.
- ▢ You can also get current values for your car from Carsguide.

### Preparing for sale

To create a good impression on a potential buyer you need to prepare your car so it's looking its best when the buyer arrives.

- ▢ Consider having it detailed by a professional detailer. For a couple of hundred dollars you can have your car cleaned from top to bottom in a way that would take you a couple of weekends.
- ▢ If you opt to clean it yourself make sure you clean in all the hard to get at areas, like door openings, boot openings, engine bay.
- ▢ Never leave anything lying around the interior or boot making them look untidy in the eyes of the buyer. Loose items can rattle and bang around and create a poor impression on a test drive.
- ▢ If you're a smoker clean the ashtray and make sure the interior doesn't smell of cigarette smoke. There's no better way of putting a buyer off than to show them a car that smells of tobacco. If it does smell get a deodoriser and leave it in the car for a week or two before advertising it in the hope the smell will go away. Don't leave the deodoriser in the car when showing it to a potential buyer.
- ▢ Wash and polish the exterior including the wheels, windows and all chrome or stainless trim. Clean up any residue of polish after you're finished to avoid giving the impression you've just cleaned the car up to sell it.



- ▣ Consider having the engine oil changed a week or two before selling it so it looks nice and clean if the buyer pulls the dip stick. Doing it a week or two before will mean it won't look too fresh on the day.
- ▣ Make sure the windscreen washer reservoir and radiator are topped up to the marks so it looks like you have cared about your car.
- ▣ Take the time to inflate the tyres to the correct pressure. There's nothing worse than going on a test drive and being shaken and shimmied because the owner didn't set the tyre pressures.
- ▣ Have the car's service record on hand to show the potential buyer that you have had the car serviced regularly. It's another way of demonstrating you've looked after it.
- ▣ Also have the car's title on hand to show that you are the owner of the car you're selling.
- ▣ Consider investing in a vehicle history report. [www.checkitout.com.au](http://www.checkitout.com.au) will supply you with a full vehicle history check and certificate for around \$30.