

## Dealers: It's time to tighten up on your payment procedures and policy

Over the past 8 weeks VACC LMCT members have suffered as a result of various vehicle thefts and frauds that have caused severe financial hardship for their business and stress for business owners and their staff. Some incidents have been unpreventable, but most concerning is that some have been preventable and have resulted due to a breakdown or absence of process or a laissez-faire attitude by dealership staff.

### The most common instances where such thefts and frauds are occurring include:

- Where the perpetrators have used a key programming system, many that are available for purchase on the internet. It would seem that the vehicles of choice right now seem to be high end/value/performance, Holden Commodores.

**VACC Commentary:** This is an issue that is difficult to prevent, but dealers should remain vigilant to how high value stock is secured within their yards or showrooms.

- Industry has also seen a rise in frauds where multiple stolen credit cards have been used to pay for a vehicle. The actual card holder eventually detects unusual activity, and reports the activity to the credit card company. The charges are then reversed.

**VACC Commentary:** This is a highly preventable crime. It would be VACC's advice that when a phone credit card transaction ensues for the purchase of a motor vehicle and where credit cards (or multiple credit cards) are being used that your dealership has policy in place for how a transaction similar to that could or should take place. Dealers should communicate with their banks and/or payment processing platforms for guidance on how to handle telephone transactions or transactions that are not in person.

Where a person inquires on a new or used car, enters into or creates a contract, pays a large amount (or e.g. \$30,000) using two different credit cards (stolen) and call the next day cancelling the deal and seeking a \$30,000 refund.

**VACC Commentary :** See above

- Further we have had a wanted person visiting dealerships, requesting a test drive and not returning the vehicle.

**VACC Commentary:** We have previously advised members via bulletin of this person. However, members are reminded that when providing a vehicle for a test drive or demonstration purposes to a consumer that dealers have an obligation to know who is driving their vehicle at any given time. Adequately identify the person. You can also ask for a deposit on a test drive but must refund that deposit if no sale takes place.

**VACC action:**

VACC has reached out to the VicPol Vehicle Crime Squad who have agreed to increased industry engagement. The first step will be an on-line forum for dealers to advise VicPol on the raft of issues currently being experienced and to also act as a forum that will provide advice to industry on how to tighten up on vehicle security and procedures. The forum will take place on Friday, 10 February. An invitation will be issued to VACC members at some stage in the next week.

We hope to assist dealers in limiting the opportunity for these crimes to occur.

I will keep you all advised as to dates and location.

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