

Issues with PPSR searches and product recalls

Members were advised in mid-January 2023 of a new feature that would be added to the search result when conducting a Vehicle Identification Number (VIN) search on the Personal Property Security Register (PPSR). That new feature would allow for a person who conducted a PPSR search to also be informed if that vehicle had an outstanding manufacturer recall.

The inclusion of the recall data of this came about after many years of lobbying and was a long term VACC reform that had its genesis during the Takata Airbag Recall of 2018.

What information does the PPSR provide on its search certificate?

The website of the PPSR advises that a PPSR search includes information recorded against the VIN or chassis number of a vehicle. You will also be provided with a PPSR Search Certificate which you can use as a legal record of your results.

- make, model and color.
- written off status.
- stolen status
- Vehicle safety recall status
- Security interest

It is important to note that a security interest is most commonly created when a secured party (such as a lender) takes an interest in personal property of a grantor (such as a borrower), as security for a loan or other obligation. The security interest means the secured party can take the personal property (known as the collateral) if the secured obligation is not met.[\[1\]](#)

What is the issue with vehicle safety recall notices?

From reports received from VACC Licensed Motor Car Trader (LMCT) members and interstate counterparts, it would appear that some older recalls that were once attached to a vehicle had reappeared on current PPSR search certificates as being unresolved.

NB: This is not on all PPSR certificates.

This has of course confused many LMCTs ,consumers and financial institutions. LMCTs have been forced to deal in some instances directly with a Vehicle Manufacturer to be provided with a letter to produce to a consumer or finance company stating there is no live recall on a vehicle or that the recall work had been completed many years ago and was no longer current.

The potential scenario is that many vehicles can not be sold as Section 127 of the Australian Consumer Law (ACL) prohibits the *'supply, in trade or commerce, of a consumer good'* in respect of which a recall notice is in force . It is important to note that a vehicle is a consumer good for the purposes of the ACL irrespective of whether it is purchased by a retail or wholesale buyer. Any sale by a dealer - whether a wholesale or retail sale - will be a supply in trade or commerce.

What should LMCTs do if confronted with this issue?

- If you conduct a PPSR search and it reports a recall, please visit the Australian Government [Vehicle Recall](#) webpage to validate the actual, and current, manufacturer recall status that is applicable to your vehicle.
- As your next step you should consider verifying with your local franchise dealer of that brand as to whether the recall on the PPSR certificate is still current and if/when the recall work was completed on your vehicle.
- LMCTs should consider lodging a dispute registration form with the Registrar of the PPSR. Attached is the form to "[Disputing a registration - applying for removal](#)". You can follow the instructions on this form to assist in lodging your dispute.
- This form should be kept close by to assist you with further or future applications for the removal of PPSR encumbrances.

LMCTs are also asked to email me, Michael McKenna on mmckenna@vacc.com.au with examples of the current recall issue on a PPSR search certificate.

Other actions

VACC enjoys a very positive relationship with the Australian Financial Security Authority (AFSA), the administrators of the PPSR, and has expressed the industry's acute anxiety regarding the potentially negative outcomes of this glitch. AFSA are working a fix to this issue and will keep VACC informed.

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[\[1\]](#) PPSR webpage 'What is a security interest?'