BulletinIndustry Divisions



Date: 03/04/2023

Reference No. Wound back odometer/mm-04-23

Tell VACC if you have traded a vehicle with a wound back odometer

Over recent months VACC has communicated with many LMCT members who have been victim to acquiring a motor vehicle from a member of the public or other entity that has had its odometer tampered with (i.e., wound back).

VACC needs to hear of your exposure to such instances where you have been the victim of odometer fraud. Please take <u>this short 2-minute survey</u> that will assist VACC in its pursuit of better outcomes for LMCTs.

Odometer wind backs are on the increase

The instances of consumer presenting vehicles with wound back odometers is on the increase. With prices for used stock maintaining a healthy baseline, VACC members are advising that many unscrupulous consumers are taking the opportunity to illegally to squeeze as much as possible from the trade or sale of their used vehicle.

At times, even with the experience of professional industry and dealership vehicle valuers, some of the methods used by consumers (or organized crime) to disguise a vehicle's true age and odometer reading is sophisticated. Minute details such as service book alterations are even perpetrated to assist the fraud.

The LMCT is suffering

LMCT members are left in an invidious position when confronted with a purchaser who had discovered that their vehicle has as a wound back odometer.

In almost all cases, the only remedy available for a LMCT is to refund the entire purchase price of the vehicle to their purchaser. If the LMCT is lucky enough, they can 'bounce' the vehicle back through a wholesaler or other entity. The end result is that the LMCT invariably gets stuck somewhere on this issue and is left with a disgruntled consumer and will potentially suffer the inconvenience of an adverse action from the Regulator for something not of the LMCT doing.

What is it VACC wants?

- VACC wants to highlight to all Regulators how odometer fraud affects all stakeholders, from dealer -to purchaser- to community.
- VACC has taken advice from Victoria Police on how to treat the issue of odometer tampering
 under the Crimes Act 1958 (Vic) and how LMCTs should deal with a person who presented,
 or presents, such a vehicle for sale to you. At the end of the day a fraud has occurred, as
 LMCTs we should now say 'enough is enough'.
- VACC has upped the ante in pursuit of a technological solution. This includes the introduction
 of business rule that any vehicle presented to VicRoads for transfer of ownership is rejected if
 the odometer reading supplied is less than a previous transfer completed on that individual
 vehicle.
- VACC also is also lobbying to have odometer readings as part of a VicRoads VRE search.
- VACC is also looking for ways that odometer readings supplied at transfer or under roadworthy certificate scenarios can be made accessible to licensed persons in Victoria.
- VACC urges LMCTs to utilise the current offerings of organisations such as <u>AutoGrab</u>, <u>CarFacts.com.au</u> or <u>carhistory.com.au</u> to mine the data those types of organisations gather on an individual vehicles history.

Other actions

- A comprehensive paper is being compiled by VACC for the information of members and governments about the issue.
- Specific advice from Victoria Police to VACC members regarding how Victoria Police will treat odometer tampering will be disseminated soon.

Please take the survey. It really is time for LMCTs to put their foot down on the issue of consumers defrauding LMCTs.

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