

# Vehicle Internet Sales

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Iowa Motor Vehicle Enforcement



# Internet Vehicle Sales; Why?

- Internet allows for vehicles to be advertised/sold virtually anywhere, worldwide.
- Curbstoners and vehicle dealers; exposure.
- Dealers have “internet” departments. Why?  
Internet prices closer to the “bottom” price, less pressure, financing easier, say “no” easier, no psychological tactics, quicker and at your pace, locally owned auto sales businesses are less common which means less loyalty.

# Does the internet really work for vehicle sales??

- EBay; sold over 4 million passenger vehicles.
- Craigslist.. It's free..
- Our society is accepting purchasing products site unseen, so why not vehicles?

## Vehicle Internet Sales

- Nevada 2012 Report. 43 states don't address internet sales.
- Most states agree; internet sales okay but follow state law. It's an advertising tool.
- Washington State does have a law.

## Washington State WAC 308-66-250

- **Internet business.**
- **Is a license required for an internet business?** The department will require a Washington state dealer license for an internet business that has no physical presence in this state if that business:
  - (1) Brings together a Washington state customer with a licensed Washington state dealer; and
  - (2) Receives compensation from the customer or the dealer resulting from the actual sale or lease of a vehicle; or
  - (3) In any event acts as a vehicle dealer as defined in existing Washington state statutes and rules.

# Why regulate these sales?

- Lack of buyer remedies in cases of fraudulent or unethical sales.
- For most, the second most expensive purchase you make.
- These sales involve paper, and a lot of it. Financing.
- Physical location, why: protect consumer so they know what they are buying. Gives them opportunity to be informed.
- Evens playing field for dealers. Virtual sales removes overhead and many of the associated costs.
- Anyone could sell vehicles through the internet. How do I know it's a dealer? Curbstoners.

# Internet Vehicle Sales Fraud

- How do we investigate a complaint against an out of state seller?
- Resident is under investigation for vehicle fraud but the vehicle was purchased over the internet from an out of state dealer, how do we get the out of state dealer to comply?
- Could dealers use “straw” bidders on the internet to raise the selling price?
- Are there other internet scams related to vehicles and financing?
- Virtual sales. How does the buyer know if the seller is the rightful owner? Example.

[des moines craigslist](#) > [for sale / wanted](#) > [cars & trucks - by owner](#)      [email this posting to a friend](#)

Avoid scams and fraud by dealing locally! Beware any deal involving Western Union, Moneygram, wire transfer, cashier check, money order, shipping, escrow, or any promise of transaction protection/certification/guarantee. [More info](#)

### 2011 acura TL - \$20000 (Desmoines)

Date: 2012-09-02, 1:42PM CDT

[Reply to this post](#)    [pnsbx-3245641364@sale.craigslist.org](mailto:pnsbx-3245641364@sale.craigslist.org) [clicks when replying to ads?]

please flag with care: [?]

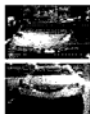
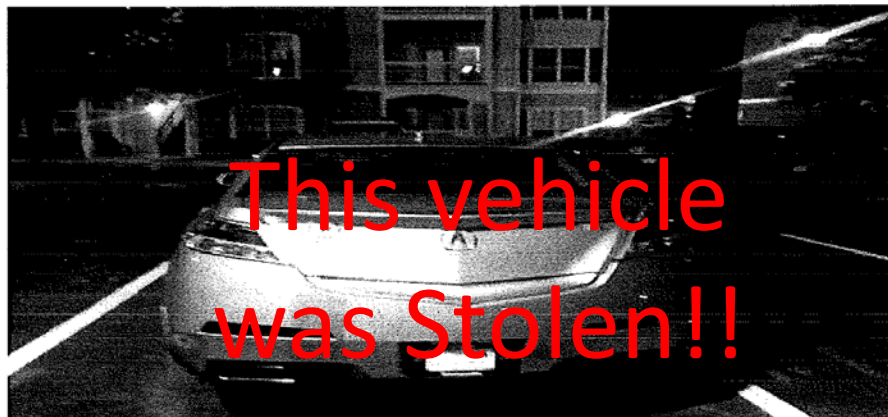
[miscategorized](#)

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2011 Acura TL, 12000miles, (asking \$20,000 firm serious inquiries only)





Sold over the internet



This vehicle  
was Stolen!!

# Dealer Internet Sales

- Future. Law changes. Societal acceptance. Better control over industry.
- What about purchasing directly from the manufacturer? Why a brick and mortar building? Current law protects the dealer franchisees so they don't have unfair competition. The public does like direct contact with manufacturer, i.e.... warranty, options, history.
- Title laws say dealer can't sell or offer vehicle for sale w/o having title. What about new vehicles, dealer may not have it on their lot but offers it for sale.

Questions?

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