

Protecting Wisconsin Consumers for 75 Years

Buying a motor vehicle on the Internet

The back streets of cyberspace have given rise to criminals who sell vehicles on the Internet. Countless examples exist of unwary consumers using Internet auto purchase or auction sites which advertise motor vehicles “in excellent condition inside and out” or “spotless...like new”. You may be shocked to receive a vehicle with dents, scratches, rust, or evidence of major repairs due to major damage. This may be the



good news! Sometimes the vehicle is never

received, and you may be scammed out of all the money you paid.

The Bureau of Consumer Protection reports that an ever-growing number of consumers are being scammed by dishonest auto dealers. Close to home,

buyers know or can check out the seller and their reputation. But the same cannot be as easily said of Internet sellers who often hide their true identity.

Know the risks

When making Internet purchases, remember there are risks. Are you willing to chance losing the \$5,000 to \$50,000 you are spending when you purchase a vehicle on the Internet?

Most sellers and buyers at online auctions or sites are honest but the Federal Trade Commission reports that auction fraud accounts for approximately 48 percent of online fraud reports. They receive a continual intake of complaints regarding misrepresentation of a vehicle’s condition, dangerous rebuilt cars, and stolen vehicles.

The main problem with an Internet purchase is that you do not get the opportunity to

physically inspect the vehicle before buying it. You don’t find out the true condition of the vehicle until it arrives (if it does arrive)...after you already paid the seller. The Bureau of Consumer Protection warns that Internet transactions are “a natural venue for dishonest dealers”.



Like any transaction, it is important to inspect the product prior to purchase. In the case of motor vehicle purchases, it is especially important to have a vehicle you may buy inspected by a qualified mechanic. Many problems can be avoided by this simple practice. However, it may be difficult to get a vehicle inspected that is advertised on the Internet or being auctioned. Services such as Carfax or Autocheck can be used to trace a vehicle’s history.

Protect yourself

If you want to brave the risks of an Internet motor vehicle purchase,

- **Have the vehicle inspected by a qualified mechanic.** Hire a mechanic located near the vehicle to check it out.



- **Ignore “Feedback” ratings.** They can easily be faked. The same individual can gain multiple user IDs and “build” the reputation for his own seller ID. If discovered, the unscrupulous individual simply “closes shop” or disappears---only to resurface in the streets of cyberspace with a new user ID.
- **Save all transaction information.** Sounds like common sense, yet many consumers fail this basic and all-important point.

- **Become familiar with the internet site, auction site and seller.** Find out what protection is offered by the site for buyers. Don’t assume each individual site has the same rules as another. Do not bid or purchase until the seller has been thoroughly researched.

- **Use an escrow service.** Do not use an escrow service that the seller insists on. Research and check out the escrow service to determine its legitimacy. Visit its Internet site and call its customer service. (If there isn’t a customer service line or no one can be reached, you may be better off not using the service.)

- **Protect your privacy.** Never provide information such as your social security number, driver’s license number, bank account information or your credit account information until you have researched the seller, escrow or online payment service to make sure that each is legitimate.

For more information, or to file a complaint, contact the Bureau of Consumer Protection at:

(800) 422-7128

2811 Agriculture Drive
PO Box 8911
Madison WI 53708-8911
(608) 224-4976

FAX: (608) 224-4939

TTY: (608) 224-5058

E-MAIL:
DATCPHotline@Wisconsin.gov

WEBSITE:
www.datcp.state.wi.us

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