



# News Release

For Immediate Release

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## **Ontarians who Buy Cars and Trucks are Often Left Defenceless by the Group That's Supposed to Protect Them: Auditor General**

(Toronto) The Ontario Motor Vehicle Industry Council (OMVIC) does not consistently protect the public in their transactions with vehicle dealers, says Auditor General Bonnie Lysyk in her 2021 Annual Report. OMVIC underperforms in its key responsibilities including mediating and resolving consumer complaints, and inspecting vehicle dealers. OMVIC also does a poor job of protecting consumers who purchased a vehicle from an illegal dealer.

“Even though OMVIC is a consumer protection agency, it is governed by a Board heavily represented by motor vehicle dealers,” said Lysyk. “And the Ministry of Government and Consumer Services has not done enough in the past to monitor and assess OMVIC’s performance.”

In a review of a sample of complaints where the dealer appeared to have breached the law, in 80% of these cases, the complaint file was closed without an internal referral for enforcement. In addition, if an illegal dealer sells a vehicle to a consumer who then suffers financial harm, the consumer is not eligible to make a claim to the Compensation Fund, even after OMVIC’s investigators confirm this.

The report notes that OMVIC has not inspected 40% of registered motor vehicle dealers within its target of three years, and does not consistently inspect dealers who are more likely to be non-compliant more frequently. In the last five years, in 77% of the inspections that uncovered violations of the law, OMVIC’s inspectors closed the inspection file without taking any enforcement action or performing a follow-up inspection.

The audit also found that though it has been the law for more than 10 years, there is low dealer compliance with all-in-price advertising.

OMVIC gets no government funding, but instead gets money from registration fees and a transaction charge on every vehicle sold in the province by a registered dealer. Instead of using that money to increase the resources devoted to its enforcement actions, it has almost quadrupled its accumulated surplus and reserves in the last five years. The staffing of its complaint, inspection and registration departments remained largely unchanged.

“These findings are not surprising, given the limited amount of oversight in the past by the Ministry,” said Lysyk. “Until 2020, the Ministry of Government and Consumer Services did not have many indicators to monitor OMVIC’s performance. Performance indicators still do not cover important areas where our audit identified lapses, including consumer complaints, the Compensation Fund, and educating and informing consumers about their rights and protections.”

The audit report contains 30 recommendations for improvement.

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