



Central  
Queensland  
Community Legal  
Centre



### BUYING A SECONDHAND CAR – ‘BUYER BEWARE’

Buying a secondhand car is a big decision and can be risky.

We regularly see clients who have purchased second-hand cars from both dealers and privately, and the cars are often problematic for multiple reasons. Often people are left making loan repayments on a vehicle that is not drivable and there is very little available in the way of remedies.

Having some knowledge about your rights and undertaking some research and inquiries **PRIOR** to purchasing a secondhand vehicle can prevent you from buying a vehicle that is defective or has a loan attached to it or might even have been stolen.

Buying a secondhand vehicle is very much a case of ‘**buyer beware**’.

We **strongly urge** you to undertake the following **PRIOR** to the purchase of a secondhand vehicle:

- Engage a mechanic to carry out a comprehensive inspection on the vehicle. Unfortunately, many people seem to be under the mistaken impression that a safety certificate (or ‘roadworthy’) means the vehicle is in good mechanical condition. The reality is that a safety certificate is only a basic safety check and we have seen many instances where they are not genuine. It is essential to obtain your own comprehensive inspection;
- Carry out a PPSR (Personal Property Securities Register) search at the Department of Transport. The basic PPSR car check search is only \$2. You just need the vehicle’s serial number (or VIN number). Go to: [www.ppsr.gov.au](http://www.ppsr.gov.au). The PPSR car check will tell you if there is finance attached to the vehicle, the make, model and colour, its written of status and its stolen.

Did you know that if the previous owner still has money owing on the vehicle, the finance provider could potentially repossess it if the debt is not settled before you buy it? Protect yourself against this happening to you - get a PPSR check before purchasing a second-hand car.

## Buying from a dealer

Buying from a dealer may be more expensive than buying privately, however it may be safer. When you buy from a dealer you are entitled to:

- test drive the vehicle;
- a one day cooling of period;
- a statutory warranty for certain vehicles (note though that these warranties are limited and can be difficult to enforce);
- clear title guarantee;
- protection from the motor dealers legislation;
- access to a claim fund if you lose money because of the dealer's actions in some limited circumstances.

There are 'consumer guarantees' that apply when you buy a vehicle from a dealer. The car must be of 'acceptable quality'.

In practice though we still see many cases of defective cars being bought from dealers. Again, the remedies can be difficult to access. We therefore suggest that you deal with a well-known, local dealer if you can. Many dealers do not willingly honour the statutory warranty and in that case you would need to take action against the dealer in QCAT (Queensland Civil & Administrative Tribunal). This can be very time consuming and unsatisfactory. That is why we strongly recommend that even when buying from a dealer, **you obtain your own comprehensive inspection.**

## Buying Privately

When buying a vehicle privately there are no protections in place. Therefore, you must be particularly careful and **undertake your own comprehensive inspection and PPSR car check search.** We have seen many clients who have purchased a vehicle advertised on 'marketplace' and it has been defective and very different to what was advertised. It is very important to make sure the vehicle you are buying:

- is what the person selling says it is. Make sure you view the vehicle in person and that it matches the description and photos. Check the details on the VIN plate on the vehicle. Check that the number plates, build date and engine number of the registration certificate all match the vehicle exactly;
- belongs to the person selling it and is not listed as stolen (PPSR search);
- has no unpaid debt to it (PPSR search) - if any debt is attached to the vehicle, it should be discharged by the seller prior to your purchase. Do not pay the seller until the debt is removed from the vehicle;
- is going to keep you safe. The seller should provide you with a current QLD safety certificate. Request this from the seller and check it has not expired. Get your comprehensive inspection.

We suggest that you sight the seller's license to ensure they are the registered owner of the vehicle (in addition to carrying out the PPSR car check search and obtaining a comprehensive inspection).

### **After Purchase – Insurance**

It is very important that you arrange a comprehensive insurance policy from the time you take delivery of the vehicle. Again, we see cases of difficult situations arising due to vehicles not being insured. If a vehicle is written off in an accident, and the other party also has no insurance you might be required to continue making loan repayments for a vehicle that cannot be driven. Further, you can be sued by the other driver for the damage to their vehicle and face court proceedings, including bankruptcy and the sale of any assets you might own, such as a home. We therefore strongly advise clients to have comprehensive insurance.

### **Contact us for further advice and assistance.**

If you are considering purchasing a secondhand vehicle or you have purchased one and have issues, please contact us for advice.



Funded by the Commonwealth and Queensland Governments |  
Accredited by the National Association of Community Legal Centres

*Disclaimer: The information contained in this handout is general information only current as at May 2024. Whilst every effort has been made to make it accurate the law is constantly changing. This handout should not be used as a substitute for legal advice.*