

FAQ's on Auto Dealer Fraud

What is Auto Dealer Fraud"?

It is deceptive and unlawful practices used by auto dealers, at almost any stage of the vehicle purchase process -- from advertising, to negotiation of vehicle pricing and financing terms. Examples of auto dealer fraud include "bait and switch" advertising practices, deceptive inflation of vehicle prices, and failure to disclose information about a vehicle.

What is Bait and Switch?

A Bait and switch occurs where an auto dealer lures potential buyers to the dealership by advertising one vehicle at a certain price, then tells the customer that the particular vehicle is no longer available but then often uses aggressive tactics to sell a different, more expensive vehicle (or the advertised vehicle at a higher price than originally advertised).

Used-car Disclosures

Car dealers must disclose whether a used vehicle has incurred significant damage in an accident, has been designated "salvaged", or has been flood-damaged.

Mileage Rollback

A typical form of auto dealer fraud, a "mileage rollback" or "odometer rollback" occurs when the odometer of a used vehicle is altered (or "rolled back") to display a number that is lower than the vehicle's actual mileage.

How do Auto Dealer Fraud cases differ from Lemon Law cases?

Although both involve motor vehicles, auto dealer fraud cases are very different from Lemon Law cases. In auto dealer fraud cases, improper tactics used by a car dealer during the vehicle sale process are the focus, while lemon law cases arise from problems or defects with the vehicle itself.