

Are some "private" classic car sellers really traders or dealers?

Cases where traders or dealers advertise classic cars for sale as "private" sales have been seen before but our volunteers providing reports of MGV8s seen advertised for sale for our Pricewatch webpage have noted several cases recently. Why does it happen and what are the concerns for an enthusiast buying a car from them?

The motivation for a trader or dealer doing so is the possibility of their selling a car without the greater consumer liabilities that a trader or dealer would have with a "trade" sale and possibly also their avoiding adding VAT on the sale. With the Consumer Protection from Unfair Trading Regulations 2008, traders must not create the impression or falsely claim they are acting for a purpose unrelated to their business - for example, as a dealer selling a secondhand car by displaying it as for sale by a private individual. A vehicle offered for sale by a trader must be fit for purpose and as described. A trader is liable for faults with the vehicle not fully disclosed to the buyer before the sale.

Buying from a private seller you will not have the same consumer rights protection as you would if buying from a trader or dealer. A "private" seller has less liability for the car - the vehicle should match the description given by the seller and the car must be roadworthy. It is a criminal offence for anyone - trader, dealer or private seller - to sell a car in an unroadworthy condition, unless the fact that it is unroadworthy is made clear to the buyer.

Disclosure of the seller's private or trade status

Most online sites providing adverts for classic cars for sale require the advertiser to state whether they are a private seller or whether it is a trade sale and then that designation is usually disclosed when the advert is posted to the online site. That is certainly a requirement when advertising on the "Cars for Sale" webpages on the V8 Website. But are some private sellers in fact "traders or dealers"?

This type of misrepresentation is not easy to spot prior to visiting the seller and in some cases even then the buyer may be unaware a private seller is in fact a trader or dealer. In a report of a recent legal case a car dealer was fined for pretending to be a private seller. See a report of that case.

So what are the clues to look for?

In several cases seen online, adverts for MGV8s classified as "private" sellers have been traced to a trader. So what could be seen or discovered as clues?

A first clue is the text of the adverts tends to include terms with a style and content that suggests "trader speak". In some adverts with a car offered by a "private" seller you see frugal information or none on the vehicle condition, maintenance record, age of the tyres and whether it is a reimported car. In some cases the advert includes the offer of a part exchange which is not something most private sellers would offer or be able to offer. Sometimes an advert has a paragraph with an impressive resume of the origin and history of the model (probably lifted from David Knowles' MGV8 book or from our online buying guide) which is the type of sales bluster some traders or dealers may use to impress prospective private buyers. Another clue is the advert is written in the third person singular referring to the "present owner" - for example "present owner for the last 4 years" when most private sellers will say "I have owned the car for 4 years".

A second clue can be the mobile telephone number in the information panel of the online advert. It may be different to the number in the text of the advert. In some cases checks have found one of those telephone numbers for what is ostensibly a "private" seller can be traced to a trader with a website offering both secondhand cars for sale and also offering online advertising and sales services for private sellers.

Cars offered for sale by a trader for a private seller

Cars offered for sale by a trader as a private sale may in fact be because the car is being handled by the trader for the "private owner" on a commission sale basis. But this may not be immediately clear but it should be clarified at some stage by the seller, for example when a prospective buyer contacts the seller and discovers they are in fact a trader. That may be revealed when they call or meet to discuss the car or when they view the car and certainly when they begin commercial negotiations to buy the car and see the V5C with details of the current registered keeper. In some cases a trader or dealer may have been "slow" in notifying DVLA of a change of registered keeper following their purchase of the car presumably intending to achieve a prompt onward sale when the notification of their buyer as the registered keeper would be made. See more on commission sale arrangements.

What are the questions someone interested in a classic car advert should ask when they call the advertiser?

On our buyinganmg.com website, packed with information, guidance and advice on buying or selling a classic MG seen advertised for sale, we have a checklist of the questions anyone should ask when they call the advertiser. The first question is: "who is the owner of the car and who is the registered keeper on the V5C vehicle registration certificate?" See a copy of the checklist.