

Media Release



Government of South Australia

Office of Consumer and
Business Affairs

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BACKYARD DEALER BUSTED IN OCBA STING

A used car dealer has been fined in the Adelaide Magistrates Court for masquerading as a private seller and misrepresenting the history of a vehicle for sale.

Mr Arunkuma Yarasi was fined \$6,200 after being convicted on 14 counts of breaching the *Second-hand Vehicle Dealers Act* and one count of a breach of the *Fair Trading Act*.

“This conviction serves as a warning that backyard vehicle dealers will be caught,” Acting Commissioner for Consumer Affairs, Anne Gale said.

“Consumers need to take a great deal of care when purchasing a second-hand vehicle to ensure that they’re getting the ‘real deal’.

“People think they are saving money by buying a vehicle from a private seller with a genuine service history, when in fact, the seller has only recently acquired the vehicle.

“Backyarders gain a commercial advantage over licensed dealers as they do not offer warranty on any of the vehicles they sell, so consumers need to be extra vigilant,” warned the Acting Commissioner.

The prosecution of Mr Yarasi followed an audit by OCBA of second-hand vehicle advertisements.

The investigation found that despite being a licensed dealer since October 2005, Mr Yarasi had placed advertisements in *The Advertiser* relating to the sale of approximately 65 different vehicles, without displaying his second-hand vehicle licence number.

OCBA investigations also revealed that Mr Yarasi carried on his business at places other than the registered premises and that he failed to display the required notices in the second-hand vehicles being offered for sale.

The Adelaide Magistrates Court heard that Mr Yarasi also breached the *Fair Trading Act* by misrepresenting the history of the cars he was selling.

On one occasion, Mr Yarasi told a buyer that he had purchased the car one year before at a government auction. Investigations showed that Mr Yarasi had in fact only bought the vehicle six weeks previously at a public auction.

“Buying a used car through a licensed dealer affords greater protection for the consumer under the *Second-hand Vehicle Dealers Act 1995*, and we are now strengthening those protections,” the Acting Commissioner said.

“As of 29 November, consumers will benefit from a two-day cooling off period when buying a used car from a licensed dealer.

“We have also increased the maximum penalty for unlicensed dealing in South Australia from \$20,000 to \$100,000,” she said.

Mr Yarasi pleaded guilty to:

- one count of carrying on business as a dealer except at registered premises;
- two counts of failing to of failing to display a prescribed notice;
- two counts of failing to provide purchasers with a contract;
- six counts of failing to provide purchasers with prescribed notices;
- three counts of failing to refer to a licence number in advertisements; and
- one count of falsely representing the history of goods.

Mr Yarasi’s early guilty plea and cooperation with OCBA were taken in to consideration. Mr Yarasi was convicted on all counts and ordered to pay a total fine of \$6,200, and court fees and prosecution costs of \$800.

To report concerns about suspect second-hand vehicle dealers, or to launch a complaint, contact OCBA on 8204 9777 or 131 882 for regional callers, or visit www.ocba.gov.au.

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